Daily Report

Central Eurasia

FBIS-SOV-95-167
Tuesday
29 August 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-95-167 *29 August 1995*

CONTENTS

NOTICE: An * indicates material not previously disseminated in electronic form.

CHECHEN AFFAIRS

Negotiations in Groznyy

Yeltsin: Russia's Stance on Chechnya 'Unchanged' *[ITAR-TASS]* 1
Volskiy Suggests Dudayev Evacuation To Save Lives *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 1
Reportage on Yeltsin Representative in Groznyy Lobov 1
Optimistic Over Future in Chechnya *[Moscow Radio]* 1
Does Not Rule Out Return to Force *[ITAR-TASS]* 1
Amnesty to Rebels Handing in Weapons *[INTERFAX]* 2
Seeks Timetable for Disarmament *[Moscow NTV]* 2
Volskiy Reiterates More Time Needed for Disarmament *[Moscow Radio]* 3
Disarmament Expected in Vedeno Within 3-4 Days *[INTERFAX]* 3
Russians, Chechens Fail To Agree on POW Exchange *[INTERFAX]* 3
Russians Reject Chechen Offer *[Radio Rossii]* 3
Chechens May Break Off Talks Over Issue *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 4
Russia Offers New Proposal *[ITAR-TASS]* 4
Romanov: Troop Withdrawal Depends on Disarmament *[ITAR-TASS]* 4
Grachev: Removing Troops From Chechnya Premature *[INTERFAX]* 4

Military Operations

Maskhadov: Three Days To Free Border Guards *[ITAR-TASS]* 4
Georgia To Strengthen Troops on Chechen Border *[Moscow NTV]* 5

Politics and Nationalism

Moscow Mainly Satisfied with OSCE in Groznyy *[Budapest Radio]* 5
Events in Chechnya 14-19 Aug Detailed *[KHASE 19 Aug]* 6

Effects on Chechen Community

Over 40,000 Applications for Compensation Submitted *[INTERFAX]* 7

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 29 Aug 9
Interstate Economic Committee Examines Draft Report *[ROSSIYSKIYE VESTI 29 Aug]* 9
CIS Military Cooperation Panel Meets *[KRASNAYA ZVEZDA 26 Aug]* 10

RUSSIA INTERNATIONAL AFFAIRS

Moscow Reports Upcoming Kohl Visit in Early September *[ROSSIYSKIYE VESTI 29 Aug]* 11
Moscow Condemns 'Barbaric' Shelling of Sarajevo *[ITAR-TASS]* 11
Attack Denounced as 'Provocation' *[INTERFAX]* 11
Troops in E. Slavonia Ready for Possible Croat Attack *[Moscow ORT]* 12
Moscow: Contact Meeting Depends on Izetbegovic *[INTERFAX]* 12

Georgians To Moscow for Abkhazian Settlement Talks *[ITAR-TASS]* 31
U.S. Firm Acquires Control of Kaliningrad Plant *[IZVESTIYA 29 Aug]* 32
Rossel Plans To Revise Privatization in Sverdlovsk *[SEGODNYA 26 Aug]* 32
Perm Deputies Set Gubernatorial Election for 17 Dec *[SEGODNYA 26Aug]* 32
Orenburg Political Scene, Players Examined *[ROSSIYSKIYE VESTI 25 Aug]* 33
'Russia Is Our Home' Forms Moscow Chapter *[KOMMERSANT-DAILY 29 Aug]* 34
Deputy Premier Resin on Moscow Housing, Politics *[ARGUMENTY I FAKTY Aug]* 34
Chernomyrdin Arrives in Kazan for Celebration *[ITAR-TASS]* 37
Tatarstan Parties Prepare for Elections *[IZVESTIYA TATARSTANA 22 Aug]* 38
Kabardino-Balkaria Economic Performance Evaluated *[KABARDINO-BALKARSKAYA PRAVDA 18 Aug]* 39

Economic Issues

Livshits Comments on 'Currency Band' Extension *[ROSSIYSKIYE VESTI 26 Aug]* 40
Daily Views Impact of Extension *[IZVESTIYA 26 Aug]* 41
Duma's Glazyev Calls Policy 'Murderous' *[PRAVDA 29 Aug]* 42
Government 'Interest' in Bank Crisis Hinted *[IZVESTIYA 26 Aug]* 42
New Club of 'Most Reliable' Banks To Be Set Up *[ITAR-TASS]* 43
Daily Examines Impact of Law on Minimum Wage *[ROSSIYSKIYE VESTI 23 Aug]* 43
Duma's Bunich on Banking Sector Stability *[ARGUMENTY I FAKTY Aug]* 44
Government Blamed for Imminent Agricultural Crisis *[SOVETSKAYA ROSSIYA 12 Aug]* 45

UKRAINE

International Affairs

Ambassador to Uzbekistan Assails Yeltsin's 'Perfidy' *[KOMMERSANT-DAILY 26 Aug]* 47
Ministries Begin Implementation of Black Sea Accord *[INTELNEWS]* 47
Sevastopol Group Seeks Removal of Russian Fleet *[INTELNEWS]* 47

National Affairs

President Kuchma Ends Direct Subordination of Crimea *[ITAR-TASS]* 48
Views Crimea's Autonomous Status *[UNIAR]* 48
Engineers Submit Plan To Substitute for Chernobyl *[INTELNEWS]* 48
Chernobyl Director Vouches for Plant Safety *[INTELNEWS]* 49
Official Discusses Chernobyl Cleanup, Costs *[URYADOVYY KURYER 22 Aug]* 50
New Unit Launch Delayed at Zaporozhye Nuclear Plant *[UNIAN]* 52
Udovenko's Performance After One Year Assessed *[INTELNEWS]* 53

Economic Issues

Vice Premier Sees Time Right for Introducing Hryvna *[KOMSOMOLSKAYA PRAVDA 29 Aug]* 54
Kuchma's Economic Adviser Cited on Monetary Reform *[KYYIVSKA PRAVDA 22 Aug]* 54
Debt To Russia's 'Gazprom' To Be Repaid With Bonds *[INFOBANK]* 57
Crimean Economy in First Half of 1995 Detailed *[GOLOS KRYMA 11 Aug]* 57

WESTERN REGION

Belarus

Parliament Session On Despite Presidential Protest *[KOMMERSANT-DAILY 26 Aug]* 59
Lukashenka Vows Support for 'Large' Collective Farms *[Minsk TV]* 59
Klaus Kinkel Visit, Relations With Germany Viewed *[ZVYAZDA 23 Aug]* 60
Germany's Kinkel's 'Peremptory' Advice Criticized *[PRAVDA 26 Aug]* 61

Moldova

President Snegur Elected Head of New Party *[ITAR-TASS]* 62
Snegur Outlines Aims of PRCM at Congress *[BASAPRESS]* 62
Party Leaders Comment on PRCM Establishment *[BASAPRESS]* 63
New PRCM 'Neither Pro-Romanian, Nor Pro-Russian' *[BASAPRESS]* 63
Chisinau To Alter Economic Reform Program *[BASAPRESS]* 64
Officials Concerned Over Military Equipment Transfer *[BASAPRESS]* 65

CENTRAL ASIA

Kazakhstan

Nazarbayev Comments on New Constitution *[INTERFAX]* 67
Constitution To Solve Private Land Problem *[INTERFAX]* 67
Kazakhstan Offers Russia Control of Some Enterprises *[SEGODNYA 29 Aug]* 68
U.S.-Kazakh Oil Joint Venture Suspends Operations *[INTERFAX]* 68

CAUCASUS

Armenia

Russian Delegation Arrives for Talks *[Yerevan Radio]* 70
Azerbaijani Tank Attack Repulsed; No Casualties *[Yerevan Radio]* 70
Renewed Attacks Condemned *[Yerevan International]* 70
TV Examines Might of Country's Armed Forces *[Moscow RTV]* 70
National Redistricting Draft Law Explained *[RESPUBLIKA ARMENIYA 19 Aug]* 71
Democratic Party Urges Dashnak Rights *[GOLOS ARMENII 24 Aug]* 71

Azerbaijan

Israeli Intelligence Delegation in Baku Detailed *[Tehran IRNA]* 72
Gasanov Favors Oil Cooperation With Russia *[INTERFAX]* 72
People's Front Corrects Charter for Registration *[INTERFAX]* 72
Daily Reports Arrest of Ex-KGB Officer in Baku *[KOMMERSANT-DAILY 26 Aug]* 73

Georgia

Shevardnadze Reportedly Suffers Stroke *[IPRINDA]* 73
Gives Weekly Radio Interview *[Tbilisi Radio]* 73
Daily Views Debate on State Structure *[SEGODNYA 26 Aug]* 75
Abkhazia To Be Offered Federative Relations *[ITAR-TASS]* 76
Abkhazia Rejects Federal Offer *[ITAR-TASS]* 76
Armed Gamsakhurdia Supporters Arrested *[IPRINDA]* 76

Negotiations in Groznyy

Yeltsin: Russia's Stance on Chechnya 'Unchanged'

LD2908111395 Moscow ITAR-TASS in English 1052 GMT 29 Aug 95

[FBIS Transcribed Text] MOSCOW, August 29 (ITAR-TASS) — Russia's stance on the Chechen problem remains unchanged — "peaceful settlement on the basis of the Constitution and laws. This is the purpose of the negotiating process in Groznyy," Russian President Boris Yeltsin said in his opening address to a group of experts in politics who met in the Kremlin today.

Recalling the events in Budennovsk two months ago, Yeltsin said they "brought to light the weak points in the work of the most important state structures," and stressed that "political blackmail and criminal terrorism, particularly on such a scale, are impermissible."

Volskiy Suggests Dudayev Evacuation To Save Lives

LD2808143095 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1330 GMT 28 Aug 95

[FBIS Translated Text] "It would be expedient to evacuate Dudayev to wherever he wants to go to avoid thousands of deaths in the future," Arkadiy Volskiy, deputy head of the Russian delegation at the Groznyy talks, told the Ekho Moskvy radio station. "This is not my personal suggestion, it is the suggestion of the Russian leadership. The government of Jordan had no objection to this at one stage."

"Shamil Basayev has blood on his hands, there'll be no such option for him," Volskiy reckons. "Where he's concerned, it's more likely to be a trial, unless, of course, Basayev's fate takes another turn."

"The Dudayev regime is in its death throes, which is why it is making mistakes and committing crimes," Volskiy believes. "However, Dudayev's promises of acts of sabotage could be real. We have to take account of that because it could be terrible for Russia. I am convinced Dudayev has terrorist groups holed up on Russian territory, ready at any moment to obey his orders."

Reportage on Yeltsin Representative in Groznyy Lobov

Optimistic Over Future in Chechnya

LD2808191595 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 28 Aug 95

[FBIS Translated Text] Here are further details about the situation in Chechnya.

The present state of affairs in this Northern Caucasus republic makes it possible for us to look to the future with optimism. These are the words of Oleg Lobov, the plenipotentiary representative of Russia's President in Chechnya. He spent today in Groznyy. Oleg Lobov has admitted that so far there are many shortcomings and not all the problems have been solved. But the main thing is that everything should be solved by peaceful means, the secretary of the Security Council stressed.

Today in Groznyy, Lobov met commanders of the group of the federal forces, leaders of the pro-Russian bodies of power in Chechnya, and public representatives. According to our correspondent, Lobov has admitted that so far he has not seen an edict signed by the president appointing him special representative in Chechnya.

[Correspondent Aleksandr Klimov] Nevertheless, he confirmed that there are such rumors and did not rule out the possibility that the edict will be signed. Among other possible candidates he mentioned Yevgeniy Shaposhnikov, Vyacheslav Mikhaylov, and Arkadiy Volskiy. In any case, Lobov said, it is not sensible that a person who is not occupying a position in Moscow should be appointed representative of the president in Chechnya, particularly as the National Rebirth government of Salambek Khadzhiyev is in office here.

Lobov could not confirm that elections that are scheduled for the fall will really take place. In his opinion, this depends on the results of the process of disarmament. But it should be pointed out that in the course of his trip Lobov could not meet Dudayev representatives. Lobov said that the reason for this is that there was no initiative from the Chechen side.

Does Not Rule Out Return to Force

LD2808190795 Moscow ITAR-TASS in English 1829 GMT 28 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, August 28 (ITAR-TASS) — Russian Security Council Secretary Oleg Lobov, who is currently in Chechnya as the Russian president's plenipotentiary representative, said he favours a search for peaceful ways of settling the conflict in the republic, but did not rule out the possibility of a return to forcible methods.

"Chechnya's main problem now is disarmament," Lobov said at a meeting with representatives of the Chechen public here today. "This process must continue. No one needs shooting," he said.

At the same time, he did not exclude the possibility of a turnabout in Chechnya, where the use of force could

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be made necessary if the disarmament process proved unproductive.

Among top priority social problems, Lobov named the need to provide the republic's population with social welfare benefits and ensure that schools and colleges resume classes on September 1.

He said 1,500 school graduates from Chechnya will be admitted to Russian higher educations establishments without entrance examinations this year.

In addition, arrangements are being worked out to draft Chechen conscripts into military construction units to rebuild the republic's economy. Lobov said he will raise this question with the Security Council and hopes it will be resolved in a positive way.

He stressed that one of the compelling issues is the payment of compensations to Chechnya's population for lost housing and property, and employment.

Out of 350,000 able-bodied people, only about 150,000 are employed. Lobov believes that a speedier restoration of the Chechen oil industry will partially resolve this problem and create new jobs for the republic's 200,000 unemployed.

He also announced that he would not go back to Moscow on Monday, adding that his departure had been postponed until Tuesday morning.

Amnesty to Rebels Handing in Weapons

LD2808194395 Moscow INTERFAX in English 1808 GMT 28 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 28 (INTERFAX) — Oleg Lobov, head of the Russian Security Council, said that amnesty will be granted to the armed opposition members in Chechnya if they hand over their weapons. They will also have an opportunity of political rehabilitation and the right to participate in building a democratic Chechen Republic, "the right to vote."

"The implementation of the agreement on disarmament is a necessary condition for opening the doors to free elections," Lobov told a news conference in Groznyy Monday.

However, he said that "if the disarmament goes at today's speed, it will take several years to complete."

Lobov said that the main emphasis must be put on illegal armed groups handing over their weapons. He warned of the existing "danger of a turn for the (worse — IF Note) if the disarmament process is not active, voluntary and constructive."

We must not let such a turn happen, stressed Lobov.

He said that "the recommendations to be worked out at the August 30 Security Council meeting can be implemented by way of presidential decrees, as well as resolutions of the government and the ministries authorized by the Council."

A total of 840 billion rubles were provided from the federal budget to the Chechen National Rebirth Government (headed by Salambek Khadzhiyev — IF note) to tackle social issues, said Lobov.

The Security Council head also met with Chechnya's public and religious figures Monday. At the meeting he said that "it is naive to hope that somebody will come and solve all the problems. I can contribute to their solution but everything is in your hands."

Seeks Timetable for Disarmament

LD2808192595 Moscow NTV in Russian 1800 GMT 28 Aug 95

[FBIS Translated Excerpt] [passage omitted: Security Council Secretary Oleg Lobov arrives in Groznyy]

[Unidentified correspondent] Lobov immediately ruined the planned schedule for his visit: The first thing he did was to have a face-to-face meeting with General Anatoliy Romanov, commander of the federal forces in Chechnya. In an interview with NTV after this meeting, the Security Council secretary said that he had come to Groznyy to see a definite timetable for disarmament, because he was dissatisfied with how this was proceeding.

[Begin recording] [Correspondent] What are the first results of your meeting with Romanov and Salambek Khadzhiyev?

[Lobov] The first results are these: We listened to how things stand, but things are very complicated, not easy at all. But we understand that there are great hopes that the peace process may be continued. Everyone is convinced of that. Everyone is awaiting concrete steps from the Chechen side.

Russia has an interest in there not being a strict administrative system of combined political and military command and single-party rule in the republics, but rather a variety of systems, a variety of opinions. This cannot be achieved without an opposition. But the opposition must not be armed. [end recording] [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Volskiy Reiterates More Time Needed for Disarmament

LD2808191495 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 28 Aug 95

[FBIS Translated Text] Arkadiy Volskiy, one of the leaders of the Russian Government Delegation to the talks in Groznyy, is convinced that the process of disarmament of the Chechen detachments should not be initially planned as an enforced process.

[Begin Volskiy recording] I considered right from the first day, and I still consider it, that disarmament will be very difficult. I have never been under any illusions and I have never thought that by signing an agreement everybody would immediately hand over their weapons and everybody would happily disarm. Of course this is not happening and it cannot happen. That is why we had a disagreement when Interior Minister Kulikov, whom I sincerely respect, said that disarmament required two months and I said that it required a minimum of three months. I do not think that it will happen in less than three months. As with every war or military operation, it is always very difficult to put an end to them. [end recording]

Disarmament Expected in Vedeno Within 3-4 Days

LD2808195295 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 28 (INTERFAX) — Chechen field commander Shirvani Basayev is convinced that disarmament in the Vedeno district of Chechnya may be completed within three to four days.

Basayev told INTERFAX Monday that all local villages were ready to hand over arms. He is responsible for the arms handover in the Vedeno district.

Poor coordination of representatives of the federal forces who "do not always come to the agreed handover sites" is the only problem impeding the successful implementation of bilateral military agreement in the Vedeno district, he added.

Over 200 arms purchased from rebels and local residents had been destroyed in Vedeno last Sunday. The destruction was overseen by a special supervising commission, OCSE [Organization for Security and Cooperation in Europe] officials and journalists.

Russians, Chechens Fail To Agree on POW Exchange

LD2808131895 Moscow INTERFAX in English 1236 GMT 28 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 28 (INTERFAX) — Russian and Chechen representatives once more failed to agree on the exchange of hostages and prisoners of war at the meeting of the special observer commission today.

The Russian co-chairman of the commission on POWs and persons detained by force, Colonel Vladimir Ivanov, said Russia had again turned down the Chechen delegation's proposal that 15 Russian POWs be exchanged for over 500 Chechens from various filtration points and Russian prisons.

Ivanov said the Chechen side had been given a list of over 100 Russian servicemen, which the federal authorities believe are being kept in Chechnya. Russia also put forward a list of 275 missing Russian servicemen. Ivanov said some people included on the second list had been discovered. He said he hoped that not all of those missing were dead. The Chechen side said it had information on 57 people from these lists and was ready to hand over 14 people on the same day.

The Chechen co-chairman of the commission on POWs, Khuseyn Khamidov, told INTERFAX that the Chechen delegation had not so far received the lists of Chechens staying in Russian filtration points.

The Russian side said it had over 1,300 Chechens, and 800 of them had already been freed.

Earlier, Commander of Russian Troops in Chechnya Anatoliy Romanov said that every day the fate of between eight and 15 Chechens being kept by Russia would be clarified.

Russians Reject Chechen Offer

LD2808203295 Moscow Radio Rossii Network in Russian 2000 GMT 28 Aug 95

[FBIS Translated Text] In Groznyy, the session of the Special Supervisory Commission continues. On Monday, the Russian and Chechen representatives examined the question of exchange of POWs and hostages. The Russian side turned down the Chechen delegation's proposal to exchange 15 Russian POWs for more than 500 Chechens being held at various screening centers and prisons in Russia. According to the information of the federal forces, the Chechen side has now been handed a list of more than 100 Russian servicemen who are in Chechen captivity. In addition a list has been handed over which contains the names of 275 Russian servicemen missing in action.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chechens May Break Off Talks Over Issue

LD2808173095 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1630 GMT 28 Aug 95

[FBIS Translated Text] The delegation of Dzhokhar Dudayev's representatives has demanded that the Russian military set up a working group to locate the captive Chechens and to submit a full list of them, indicating where they are, the Moscow Echo radio correspondent reports from Groznyy. According to the Chechen side's figures, 1,500 men are being held captive by the Russian military. Dudayev's representatives declared that in contrast to the Russian side, they are not concealing the number of Russian prisoners and where they are being detained.

Kazbek Makhashev, internal affairs minister in Dzhokhar Dudayev's government, told the Moscow Echo correspondent that if the Russian side did not take some decision on the prisoner issues urgently, the Chechens would opt for the extreme measure of breaking off the negotiating process.

Russia Offers New Proposal

LD2908122895 Moscow ITAR-TASS in English 1218 GMT 29 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, August 29 (ITAR-TASS) — Russia has offered Chechnya to exchange 15 Russian prisoners for 210 detained Chechens. The Russian delegation presented the proposal at a meeting of the special commission for military issues here on Tuesday, commander of the federal troops in Chechnya Anatoliy Romanov told ITAR-TASS.

The Chechen delegation has not yet answered the proposal.

The meeting was attended by deputy commander of the federal troops in Chechnya Pavel Maslov and chief of staff of Dudayev's forces Aslan Maskhadov.

According to Russian sources, 89 servicemen of the federal troops are kept by various illegal armed groups in Chechnya as of today, while the Chechen delegation has submitted a list of 1438 Chechen people detained by the federal troops.

Romanov: Troop Withdrawal Depends on Disarmament

LD2908124595 Moscow ITAR-TASS in English 1219 GMT 29 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, August 29 (ITAR-TASS) — Russia is expected to submit to the Chechen side a schedule of troops pullout from Chechnya in the next few days, Anatoliy Romanov, commander of joint federal troops in Chechnya, told ITAR-TASS today.

Romanov said that the withdrawal of federal troops depends on the activation of the process of the disarmament of illegal armed formations in Chechnya.

The Chechen side is expected to complete the surrender of weapons until September 29, Romanov said.

Grachev: Removing Troops From Chechnya Premature

LD2908123095 Moscow INTERFAX in English 0940 GMT 29 Aug

[FBIS Transcribed Text] MOSCOW, Aug 29 (INTERFAX) — Russia's Defense Minister Pavel Grachev believes that "it is early yet to remove the troops from Chechnya." He told INTERFAX Tuesday that the military agreements had not been fully implemented, and the political problems and the question of government in Chechnya had not been solved.

He said the Russian units were currently stationed in seven bases in Chechnya at a distance from populated areas, and were not involved in combat operations.

Military Operations

Maskhadov: Three Days To Free Border Guards

LD2908095395 Moscow ITAR-TASS in English 0942 GMT 29 Aug 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, August 29 (ITAR-TASS) — Chechen chief of staff Aslan Maskhadov said on Tuesday that it would take him at least three days to help free five Russian border guards seized by Chechen militants in Dagestan last week, military sources told ITAR-TASS.

According to the sources, the command of the North Caucasian border district had appealed to Maskhadov for help in the release of Russian servicemen. Maskhadov agreed to join the current negotiations with the Chechen rebel unit holding the captives.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

According to the Federal Border Service, four officers and a soldier driver — were ambushed by Chechen militants in Dagestan's mountains on Thursday and carried away to a mountainous region of Chechnya, controlled by units of a local warlord Shamil Basayev.

The border guards are reportedly being held in the mountainous village of Shatoy in the south of Chechnya.

On Friday, 30 border guards dispatched to find their captured fellow soldiers ran into a group of militants and got engaged in fierce fighting with them.

Russian troops continued the search over the weekend and combed the area.

The officials said negotiations on their release are now underway on the Dagestani-Chechen border 25-30 kilometres from the village of Botlikh.

Georgia To Strengthen Troops on Chechen Border

LD2808211395 Moscow NTV in Russian 1800 GMT 28 Aug 95

[FBIS Translated Text] Russian Border Service chief Nikolayev arrived in the Georgian capital for an unexpected visit this evening. We have just received a report from Tbilisi with details of his visit. Various thorny problems are likely to arise during the talks, related to reinforcing the borders and the Chechen problem. The KOMMERSANT DAILY newspaper has asserted that a report has been drawn up in Moscow about foreign mercenaries getting into Chechnya and passage through Georgian territory was mentioned. The official authorities in Tbilisi deny this categorically.

[Begin recording] [Unidentified correspondent] Colonel-General Andrey Nikolayev, director of the Russian Federal Border Service, arrived at Tbilisi Airport this evening, where he had a face-to-face meeting with Prime Minister Otar Patsatsia, who flew in from western Georgia a little later. Valerian Chkheydze, chief of Georgian Border Troops, and Viktor Zemtsov, commander of the Caucasus Special Border District, were called in for the second half of the talks.

After the meeting, the Georgian prime minister and Russian Border Service chief gave journalists some sensational news.

[Patsatsia] I think Mr. Nikolayev's government [words indistinct] that we have information that on the border with Chechnya there may be the possibility of Chechen gangs breaking through onto the territory of Georgia [words indistinct] strengthen the border by our forces, the forces of the border troops of Georgia.

[Nikolayev] We have to be prepared for any development in the situation which may emerge on the border. Since both the Russian Federation and the Republic of Georgia have an interest in achieving stability in this region, and do not want any kind of actions to be transferred onto the territory of the Republic of Georgia, joint additional measures will be undertaken to cover the border very tightly indeed.

[Correspondent] With regard to the fate of Russian border guards seized by Chechen fighters, Andrey Nikolayev said:

[Nikolayev] According to information received today in conversation with Maskhadov this morning, these border guards are alive at the moment but this is preliminary information which needs to be further checked. According to other reports, one of them was killed. For our part we are doing everything possible to bring back the captured Russian border guards, working through contacts with Maskhadov and through trustworthy contacts from the territory of the Republic of Dagestan, who are taking an active part.

[Correspondent] Andrey Nikolayev left Tbilisi this evening. [end recording]

Politics and Nationalism

Moscow Mainly Satisfied with OSCE in Groznyy

LD2808204195 Budapest Kossuth Radio Network in Hungarian 1600 GMT 28 Aug 95

[FBIS Translated Text] Moscow is by and large satisfied with the OSCE [Organization for Security and Cooperation in Europe] mission in Groznyy, although sometimes there have been disagreements, Deputy Foreign Minister Nikolay Afanasyevskiy has said. Laszlo Vida, correspondent of MAGYAR NEMZET, reports from Moscow.

[Vida] As is known, a few days ago Anatoliy Romanov, the commander of the Russian forces in Chechnya criticized Sandor Meszaros, head of the OSCE mission, because first he approved the federal troops' intervention against the Chechen military forces who had occupied the police building in Argun, then, on the following day, in the presence of the Council of Europe's experts, he condemned the same action. Afanasyevskiy considered that Commander Romanov acted correctly when he openly informed Meszaros about his objection.

According to the deputy minister, it has happened earlier too that certain statements by the OSCE were received with criticism in Moscow. However, they have always managed to settle the differences. Afanasyevskiy appreciates the role of the OSCE mission in the process of negotiations. He stressed that the OSCE reports assessed the situation which had evolved in Chechnya in an objective way.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Events in Chechnya 14-19 Aug Detailed

954F3178A Nalchik KHASE in Russian 19 Aug 95 p 1

[Report by the Adyga Khase Information and Analysis Center: "Events in the Chechen Republic"]

[FBIS Translated Text]**14 August**

At 1800 Moscow time, the deadline for the ultimatum to comply with the military agreement presented by the Russian leadership to the Chechen side expired. This ultimatum was announced by Russian Prime Minister V. Chernomyrdin after a meeting in the Kremlin in President Yeltsin's office.

Generals Maskhadov and Romanov said that they were willing to reconcile the disarmament plan proposed by the Russian side. The meeting between General A. Maskhadov, chief of staff of the Chechen armed forces, and Lieutenant General A. Romanov, the commander in chief of the Russian group of forces in Chechnya, lasted about half an hour. They agreed that regardless of politicians' decision, they would fully comply with the agreements on the military set of issues. At the same time, A. Romanov presented the conditions envisioned by the Russian side for the disarmament process.

President of Ingushetia, Ruslan Aushev, gave an interview to a Radio Liberty correspondent, in which he appraised the current situation.

[Question] Mr. President, just today Prime Minister V. Chernomyrdin presented a rather strongly worded ultimatum to the Chechen side. Now we know that the ultimatum has not been accepted, and General Maskhadov tied compliance with the terms of the agreement to the question of authority. Could you somehow comment on the prospective development of the situation?

[Aushev] I believe that all agreements that have been signed must be complied with. The time to argue, reason, agree, or disagree is before the signing. Once agreements are signed, they must be carried out unequivocally.

We would rather not see these agreements result in a continuation of the war and the resumption of large-scale military operations on the Chechen land. Therefore, the sides should not hastily issue strong statements and verbal attacks, and instead patiently search for compromises and arrive at the point where agreements will be fulfilled.

[Question] Do you believe that the threat of launching new military actions is real?

[Aushev] Yes, there is such a threat, and therefore everything depends now on the wisdom of the politicians on both sides. I would like for the politicians to get together again, clarify again who interpreted in what way the points of the agreement, engage in a dialog that would clarify all vague points, and continue the peace process in keeping with the agreements.

[Question] Mr. President, what is your opinion of the real prospects for the disarmament on which the sides agreed today?

[Aushev] Any agreement is implementable if there is a will to do it. If there is the will, this agreement will be implemented, all its points included.

15 August

Yakov Firsov, the representative of the North Caucasus Military District, told the journalists that on Tuesday the Russian side began to withdraw troops from a number of population centers and out of Chechnya. This information was confirmed by a high-ranking representative of the Russian leadership who requested anonymity.

According to the OSCE mission, the Chechen side will begin disarming home guard units on Wednesday.

Meanwhile, Russian MVD [Ministry of Internal Affairs] representatives said that negotiations between the Chechen and Russian military commands have been suspended until 18 August. The Chechen side intends to use the break in the negotiations for additional consultations with the commander in chief and field commanders.

A group of Chechen women today blocked the roads in a Groznyy suburb, protesting the Russian shelling of Chechen villages. One of the women complained that the Russians sit and drink every evening, after which they begin shooting at our homes.

16 August

Chechen volunteers in the Nozhay-Yurt village began surrendering their arms. This is envisaged by the agreement on military issues signed in Groznyy. In the presence of the Chechnya's chief of staff, General Aslan Maskhadov, and Yevgeniy Skobelev, deputy commander of Russian forces in Chechnya, about 30 Chechen militants surrendered grenade launchers, submachine guns, grenades, and mines. INTERFAX agency reports that surrendering of arms is to begin in three more Chechen villages.

The Russian military representative said that withdrawal of Russian troops from some areas of Chechnya began yesterday. Today, the commander of the Russian group of forces, N. Romanov, and the Chechen troops' Chief

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of Staff, A. Maskhadov, conducted negotiations in the village of Zandak on the details of agreements' implementation.

A. Babitskiy Reports:

"The course of events currently is as follows. In the Zandak village of the Nozhay-Yurtovskiy Rayon, the first official procedure of surrendering the arms by Chechen armed formations was held. It would be wrong to say that the procedure was a formality. The militants did not show up for this event empty-handed. Forty-seven units of firearms have been surrendered, mainly submachine guns and grenade launchers.

"After that, the Russian side officially returned to the Chechen side 17 submachine guns, since in keeping with the military agreements each Chechen village can have its armed self-defense unit numbering no more than 25 members.

"The head of the Nozhay-Yurtovskiy rayon administration, who was present at the procedure, shared his thoughts with journalists.

"There are 62 villages in the rayon. If each of them will now have 25 home guards, the number of people under arms will become greater than it was during the war.

"In Vedenskiy Rayon, the 501t motor rifle regiment began withdrawal in the morning. Over a period of several hours, heavy equipment, infantry carriers, and mangled armor on military tow vehicles proceeded down the mountain road.

"Russian soldiers were saying farewell to the republic into which they had been brought for an unclear purpose. It is unlikely that their commanders had been able to explain to them intelligibly what exactly was happening with the military in Chechnya. Why they fought, what for, how many died, and whether it had been for naught.

"The Chechen president's position became clearer today. Dzhokhar Dudayev appointed Khamaz Kurbanov, who until recently was his representative in Moscow, a member of the Chechen delegation at the negotiations. Khamaz Kurbanov explained to me today that Dzhokhar Dudayev supports a full and very speedy implementation of the military agreement. All his edicts and the Defense Council's decree are geared toward carrying out this task.

"And the last detail. The atmosphere around the negotiations, which are about to resume, is somewhat strange. I ran into an old acquaintance of mine, a home guard from Vedeno, in front of the OSCE building. We are going to disarm, he told me a few days ago. And laughed. A good joke. Next to me was Khasim Razuyev, a journalist rather well known in Chechnya.

"'Tell me, Khasim, is there hope for peace?'

"'Only yesterday, people who were working on rebuilding their homes stopped all work because of the Russian leadership's belligerent statements. But today, as military equipment traversed the villages, people saw that the Russian military is making the first attempts to withdraw troops, and they got back to their business. Let us hope that the war will be over and people will again live a normal life.'

"The Russian media distributed information that the head of the Chechen delegation, Khadzh-Akhmed Yarikhanov, suspended negotiation and asked for a two-day recess. Today negotiations resumed.

"Yarikhanov told journalists in Groznyy that the Chechen delegation did not ask for any recess and did not interrupt negotiations. They were suspended unilaterally by the Russian side."

Effects on Chechen Community

Over 40,000 Applications for Compensation Submitted

LD2808175895 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — The Russian migration services have received over 40,000 applications from people who suffered from the armed conflict in Chechnya and who want to receive a compensation for their losses, Deputy Chief of the Russian Federal Migration Service's Public Relations Department Andrey Sarychev told INTERFAX today.

He said the compensations would firstly be paid to those who had lost homes in Groznyy. One person will be compensated the cost of 12 square meters of dwelling space "at average prices." Those who fled Chechnya can expect to receive not more than 6-10 million rubles per family.

The loss of property and cattle is estimated at 8 million rubles for a family of five people, Sarychev said.

Sarychev said that before October 1 the compensations would be paid primarily to those returning in Chechnya and later to those who were going to stay outside Chechnya.

According to various estimations, from 120,000 to 200,000 people are not going to return to Chechnya, Sarychev said. He said refugees would receive the compensations in the migration services of the regions where they decided to stay.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Over 200,000 people fled Chechnya during the rule of the Dzhokhar Dudayev regime. A total of 380,000 people left the Caucasian republic during military actions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ITAR-TASS Carries Press Review for 29 Aug

LD2908060495 Moscow ITAR-TASS in English 0456 GMT 29 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 29 (Itar-Tass) — ROSSIYSKIYE VESTI has published a full text of the Russian president's decree on business trips abroad made by officials of Central federal executive agencies. To tighten measures taken to prevent corruption officials on staff of the president's administration and the council of ministers - the government of the Russian Federation are banned from going abroad if such visits are financed by the side which invites the visitor or enterprises, institutions, organisations or private citizens. [sentence as received]

Moscow mayor Yuriy Luzhkov said at a meeting with journalists of the Rossiyskiye Vesti newspaper that "Russia's government does impede our work. I think it's a moral duty to acquaint the president with all resolutions pertaining to the fulfillment of major projects in the city and coordinate these projects with the president, seeking his approval and support."

Luzhkov confirmed that he does not intend to run either for presidency or offer his candidature to the post of the Prime Minister, adding that he does not want to be an ambassador to any foreign country either,as someone had suggested. However, he said that he intends to offer his candidature to the post of the city mayor next year. Luzhkov gave his own reasons why, in his opinion, privatisation carried out in accordance with Anatoliy Chubays' plan might ruin society. Luzhkov sharply criticised increases in customs duties for foodstuffs. Commenting on the criminal situation in the country, the city mayor noted that the administration of the mayor's office has concentrated its efforts on the fight against corruption and other violations made by the Moscow police.

"KOMSOMOLSKAYA PRAVDA" carries an article entitled "No peace, no war, but the army is being pulled out". The newspaper says that "it is surprising that when preparing an agreement on military accord the Russian side has agreed to the establishment of self-defence units. Such units are being created in each Chechen village and consist of 20-25 servicemen each. It is not only that Dudayev's formations are being legalized, Dudayev and his supporters are gaining a decisive superiority in Chechnya, turning into a "party of armed people." They can run for free elections with confidence. Anyway, there is a different name for "free" elections carried out at gunpoint, the newspaper concludes.

Commenting on the situation on the interbank market, the newspaper says that until now, the present banking system had staked on currency speculations which will come to a standstill now that "the hard currency corridor" had been extended. Isn't it the reason why an unofficial list of unreliable banks has appeared in banking circles indicating banks which are no longer trustworthy. It is this "black" list rather than the activities of the president and the Central Bank of Russia that has played the role of a detonator on the financial market. Banks no longer trust one another, the newspaper said.

The "FINANCIAL NEWS" says that the recent developments in the financial sphere resemble a blow dealt to the raw materials assets and related banks, MPs, members of the government and other power structures. This blow was timed to coincide with the start of the election campaign, whose budgets are being drawn up now, and this move can hardly be called a coincidence", the newspaper said.

"Russia's interest in Belarus is tremendous because of a certain stance taken by Ukraine and the Baltic states," the IZVESTIYA daily quoted Belarusian president Alyaksandr Lukashenka as saying. We have gained a lot, taking advantage of our good relations with Russia, and Russia has its window to Europe open through Belarus. Military facilities belong to Russia, we have not exploded them like someone else, did and we offer them on lease, making a concession of millions of dollars. But oil an gas prices recompense for these expenditures, Lukashenka noted.

"PRAVDA" carries an article devoted to the beginning of a new school year and financial problems faced by parents who have to buy school things for their children, spending approximately 400,000-450,000 roubles per child studying in the first form.

Interstate Economic Committee Examines Draft Report

MM2908092595 Moscow ROSSIYSKIYE VESTI in Russian 29 Aug 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Cooperation. Interstate Economic Committee Presidium To Meet in September"]

[FBIS Translated Text] A routine session of the CIS Interstate Economic Committee Collegium in Moscow has examined the collegium's draft report to CIS heads of governments on the CIS interstate and intergovernmental organs and decided to submit it for consideration by the Interstate Economic Committee Presidium after making amendments to the text. The presidium session

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is scheduled for the end of September. The collegium highly assessed the work done on the instructions of the CIS heads of governments in appraising the effectiveness of the activity of the interstate and intergovernmental organs and on how well their normative documents and structure correspond to their set tasks.

CIS Military Cooperation Panel Meets

MM2908085495 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 95 p 3

[Report by Mikhail Razinkov: "Deciding To Acquire Arms Together"]

[FBIS Translated Text] Moscow — A planned session of the CIS Military Cooperation Headquarters' Military-Technical Committee has been held in Moscow. Taking part in the session were deputy defense ministers for armaments, other leaders of armaments organs from the Commonwealth states, and representatives of CIS interstate organs and Russian Federation ministries and departments coordinating work in the military-technical sphere. Corresponding decisions were made to further deepen the comprehensive military-technical cooperation between CIS defense ministries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Moscow Reports Upcoming Kohl Visit in Early September

MM2808192595 Moscow ROSSIYSKIYE VESTI in Russian 29 Aug 95 p 1

[Unattributed report from "The President" column: "Moscow Expecting Helmut Kohl"]

[FBIS Translated Text] The situation in the former Yugoslavia was again the focus of attention in a telephone conversation [date not given] between Boris Yeltsin and the FRG chancellor. The two countries' leaders discussed possible ways of settling the crisis in Bosnia as well as topical bilateral problems. Agreement was reached in the course of the conversation to hold a working meeting between Russian Federation President Boris Yeltsin and FRG Chancellor Helmut Kohl at the beginning of September.

Moscow Condemns 'Barbaric' Shelling of Sarajevo

LD2808175195 Moscow ITAR-TASS World Service in Russian 1718 GMT 28 Aug 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[FBIS Translated Text] Moscow, 28 Aug (ITAR-TASS) — "We regard the shelling of Sarajevo as yet another barbaric manifestation of the insanity of the Yugoslav tragedy. We express our condolences to the relatives and friends of the casualties and extend our sympathy to the victims," Mikhail Demurin, first deputy director of the department for information and press of the Russian Federation Foreign Ministry told an ITAR-TASS correspondent today.

"We expect," he pointed out, "that those who were behind this provocation will be named as a result of an impartial investigation."

He thinks that the purpose of the shelling was to complicate the situation that is complex enough as it is and in which a search is currently on for mutually acceptable terms of reference for a political settlement. The Russian diplomat stressed it was important to prevent what happened from being used as a pretext to fan even more tension. "We see in this tragedy yet another blatant signal of the fact that the Yugoslav crisis must be settled forthwith and we will continue to actively work for this," said Demurin.

The Russian Foreign Ministry spokesman thinks that "everyone's efforts, not just outside Yugoslavia, but in the first place, of the peoples of this region and their leaders themselves, must be directed most vigorously toward a search for a peaceful solution."

Attack Denounced as 'Provocation'

LD2808200695 Moscow INTERFAX in English 1808 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — Moscow is outraged about the "barbarian act" in Sarajevo and believes that its organizers must be found and punished, a senior Russian diplomat commented on the shelling of a market place in Sarajevo with artillery systems in an interview with Interfax Monday evening. The attack left numerous human victims.

According to the diplomat, the world community is once again facing a "pure provocation." "As soon as slight progress in Bosnian settlement is observed, a provocation follows to torpedo the peace process," the source said.

The diplomat emphasized that the attack had taken place on the eve of the Contact Group meeting in Paris. At the same place Tuesday, U.S. vice Secretary of State Richard Holbrooke was to meet Bosnian President Alija Izetbegovic, the only Balkan leader disagreeing with U.S. peace initiative.

"The link between the Sarajevo attack and these two meeting is undoubtful. An attempt to disrupt them and torpedo the peace process is obvious," the diplomat said.

The diplomat expressed his "sincere compassion with the families of those killed and wounded in Sarajevo." At the same time, he warned against "rash emotional steps" referring to the Bosnian government's appeal to NATO to deal air strikes on the positions of Bosnian Serbs.

"It is necessary first to make it out and only then to act," the source said.

The Bosnian Serbs have denied their involvement in the Sarajevo attack.

The diplomat remarked that "the practice shows that power measures do not untie, but tie the Balkans crisis even tighter." This is why Moscow calls for restraint and a sober vision of the situation, he added.

Sources in Sarajevo reported that Izetbegovic had decided to leave for Paris despite the Sarajevo attack. Reliable sources in the Russian Foreign Ministry told Interfax that it will soon publish an official statement to this effect.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Troops in E. Slavonia Ready for Possible Croat Attack

LD2808194995 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 28 Aug 95

[From the "Vremya" newscast]

[FBIS Translated Text] [Correspondent Vladimir Solovyev] Tensions persist unabated in the last remaining part of Serbian Krajina, in the area of responsibility of the Russian battalion of the peacekeeping forces. According to Colonel Aleksandr Nizhegorodov, the commander of the Russian UN battalion, since 5 August our landing forces have been registering 10-15 violations of the cease-fire agreement a day.

[Begin Nizhegorodov recording, identified by caption] More of them are committed by the Croat side, fewer by the Serbian side. But since we regard the Croat side as the attackers and the other as the defenders, the violations by the Serbian side are to some extent justified. [end recording]

[Solovyev] If the Croat troops start a massive offensive, the main task for the battalion command will be to ensure the safety of personnel. With this in mind a bomb shelter has been built during the course of a few days at the main base of the Russian battalion, the Klisa airdrome, and special shelters have been erected at guard posts. The men and officers are daily practicing their actions in the event of a possible artillery bombardment.

Our TV crew managed to film one such practice alert at the position of the checkpoint near the village of Tenja, very close to the frontline. But increasingly often of late, quite real alerts have been sounded at our battalion's posts. [video shows armored vehicles and men at a military compound]

Moscow: Contact Meeting Depends on Izetbegovic

LD2808180295 Moscow INTERFAX in English 1548 GMT 28 Aug 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — Moscow hopes that the meeting of the Contact Group for Bosnia, which will take place in Paris Tuesday on the level of directors of political departments under foreign ministries, will pave the way for essentially completing the coordination of Russian and U.S. proposals on settlement of the conflict.

The international Contact Group for Bosnia includes Russia, the U.S., Great Britain, France and Germany, a high-ranking Russian diplomat told Interfax in Moscow today.

The diplomat said that, however, another meeting, which would be held before that of the Contact Group, would be of great importance. U.S. Under-Secretary Richard Holbrooke and President of Bosnia-Herzegovina Alija Izetbegovic are expected to meet in Paris Tuesday. The Russian diplomat said Izetbegovic was up to now remaining the only leader not to back the initiatives put forward by the U.S..

The initiatives provide for giving the Bosnian Serbs the opportunity to establish a confederation with Yugoslavia which is similar to the right to form a confederation with Zagreb given to the Moslem-Croatian federation.

The Russian diplomat said if the U.S. failed to persuade Izetbegovic the productivity of the Contact Group's Paris meeting might be put under question.

The diplomat said that if Izetbegovic's reaction was positive, the issue of holding a meeting of the Contact Group on the level of foreign ministers would be put on the Paris meeting's agenda. "If everything goes normally, such a meeting may take place in early September in Paris or Geneva," the same source said.

The diplomat confirmed that in this case the issue would be raised of holding a summit between the heads of the world's leading countries with the participation of the conflicting parties' leaders and the presidents of the United Republic of Yugoslavia, Croatia and Bosnia. "This would mean the implementation of the proposal advanced by Russian President Boris Yeltsin and, as we hope, would put a stop to the Yugoslav crisis," the diplomat said.

The diplomat said that at the Contact Group's Paris meeting Russia would be represented by the Russian president's Special Envoy for settlement in the former Yugoslavia Aleksandr Zotov and by Aleksandr Kharchenko, a high-ranking Russian diplomat and an expert in problems of the former Yugoslavia.

The diplomat said Zotov had come to Paris from Belgrade where he had held productive talks with Serbian President Slobodan Milosevic.

Moscow Denies Secret Nuclear Deals With Iran

Minister Calls Reports 'Disgraceful'

LD2908103895 Moscow ITAR-TASS World Service in Russian 1012 GMT 29 Aug 95

[By ITAR-TASS Correspondent Anna Bakina]

[FBIS Translated Text] Moscow, 29 Aug (ITAR-TASS) — Media reports of secret deals with Iran to build

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

two industrial reactors are "disgraceful defamation and mudslinging" intended to damage the reputation of the Ministry of Atomic Power, Minister Viktor Mikhaylov told ITAR-TASS.

There is in fact just one contract — to finish the construction of the first reactor unit at Bushehr — and the work is scheduled to be completed in four and a half years, he said. The Ministry has no other contracts with Iran. According to the minister, "it is in someone's interests to spread such rumors" and provoke a public outcry.

Viktor Mikhaylov also said Russia's nuclear authorities intend to further develop mutually-beneficial international links. They are currently working on projects to build nuclear reactors in China and India, and holding preliminary talks with Indonesia to sell a floating nuclear power station. They are also considering plans to supply desalination plants to Persian Gulf states.

'No Secret Agreements Whatsoever'

LD2808133595 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1230 GMT 28 Aug 95

[FBIS Translated Text] "No secret agreements whatsoever exist between the Ministry of Atomic Power, and Russia as a whole, and Iran," Russian Atomic Energy Minister Viktor Mikhaylov told Moscow Ekho radio station. "That is the most absolute rubbish."

Let us recall that, according to a 'SUNDAY TELEGRAPH' newspaper report, a secret agreement has been signed on Russia providing Iran with two more nuclear reactors for the nuclear research complex in Neka, in the north of Iran. The deal was signed while an Iranian delegation was visiting Moscow in August 1995.

There are Russian specialists in Iran, and Iranians come to Russia, but all contacts are carried out as part of fulfilling the contract on building a nuclear power station in Bushehr, and they have nothing to do with military programs, Mikhaylov stressed.

"Only one place for building an installation has as of today been allocated in Iran, namely Bushehr on the shores of the Persian Gulf. Other territories, including Neka, as mentioned in the 'SUNDAY TELEGRAPH,' were not discussed," Mikhaylov declared.

Defense Official Refutes Allegations

LD2808171695 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 28 Aug 95

[FBIS Translated Excerpt] Russian officials today denied foreign press allegations that Russia is participating in creating biological and nuclear weapons in Iran.

[Unidentified correspondent] The Russian Army is not developing biological weapons at all, Stanislav Petrov, head of the radiation, chemical, and biological defense troops of the Russian Defense Ministry, told our radio station. He was denying the assertions made by the British SUNDAY TIMES. Let me remind you that according to that newspaper a number of persons in the Russian Army or in criminal structures are helping Iran to create biological weapons.

[Begin Petrov recording] The Russian Army is not engaged in such things. The Russian Army — in accordance with the presidential edict on ceasing all work in the sphere of biological weapons — is absolutely not engaged in this area, although, because of this, for a long time Russian military scientists have been engaged in work only to create means of biological defense. [end recording]

[Correspondent] Petrov is also doubtful whether Iran is getting such aid from Russian criminal groups.

[Begin Petrov recording] The Armed Forces has a competent body that is engaged in intelligence work, which can find out who is capable of doing this. I am not aware of any such cases. [end recording] [passage omitted]

Iran To Pay $20 Million for Bushehr Nuclear Plant

LD2808181095 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — During this year Iran will begin to pay for the work of Russian specialists within the scope of the construction of the nuclear power station in Bushehr, Russian Nuclear Power Minister Viktor Mikhaylov told Interfax.

Mikhaylov said Iran would pay the Nuclear Power Ministry $20 million. He said the contract with Iran would come into effect in 1996 when Russia is to begin the construction of the nuclear power station. Russian specialists have so far prepared the construction site and tested the equipment which Germany delivered to Iran several years ago.

The contract for the construction of the Bushehr nuclear power station costs a total of about $800 million. Iran and Russia signed a document on changing the contract for Russian nuclear fuel delivery from 2001 to 2011 during the visit of the Russian Nuclear Power Ministry's delegation headed by Deputy Minister Yevgeniy Reshetnikov to Iran last week. Russia will supply Iran with fuel worth $30 million every year.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mikhaylov said Russian and Iranian experts were currently continuing to coordinate the problems related to the project's implementation.

'Long-Term' Military Cooperation With India Agreed

LD2808205395 Moscow INTERFAX in English 1808 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — A second meeting of the Russian-Indian commission for military and technical cooperation has discussed long-term bilateral cooperation on August 23 to 28 in Moscow.

The press service of the state arms vendor, Rosvooruzheniye, reported that the commission met in session under chairmanship of Indian Defense Secretary K.R. Nambiyar and Rosvooruzheniye Director General Aleksandr Kotelkin.

A press release forwarded to Interfax Monday evening pointed out that a program for long-term military and technical cooperation between Moscow and Delhi was designed until 2000.

"The session showed the use of such meeting, during which both issues of mutual interests and pressing problems requiring resolution are discussed," according to the press release.

Independent Russian experts say India have been and will remain one of the largest South Asian markets for Russian arms in the long term.

Over the last three decades, India has purchased much Soviet military hardware, aircraft, artillery systems, tanks and warships. As a result, India's armed forces are equipped with Russian-made hardware by more than 60% (air force by 80%, navy by 75% and ground forces by 40%).

Under an intergovernmental agreement of September 17, 1992, Russia granted India a special credit of $830 million for arms supplies. The credit was granted for seven years under 5% a year, with an advance payment of 10%. However, Russia poorly implemented the agreement due to the lack of funds experienced by Russian arms manufacturers.

To correct the situation, Indian Prime Minister Narasimha Rao visited Moscow in 1994 to sign a protocol on extending the term of the credit and amending its conditions (in part, to increase the advance payment from 10% to 15%).

Reliable sources told Interfax that the Mikoyan Design Bureau had won an international tender on upgrading over 100 Indian MiG-29bis fighters in 1994. The upgrade will involve installing new arms control systems, modern on-board equipment and missiles. This will increase the fighter's combat potential by 7.3 times to reach that of the U.S. f-16 fighter.

India also needs to upgrade and replace other MiG jets, currently about 500, including 70 MiG-29 fighters.

According to information available at Interfax, Moscow offered about 20 Su-30 jets to India in credit along with a production license. However, the future of the deal is still uncertain.

Kokoshin Praises Cooperation

MM2808111195 Moscow KRASNAYA ZVEZDA in Russian 26 Aug 95 p 1

[Unattributed report: "Facets of Cooperation"]

[FBIS Translated Text] Andrey Kokoshin, Russian Federation first deputy defense minister, received K.R. Nambiyar, Indian state secretary for defense. During a meeting, in which senior officials from the two countries' defense ministries and general staffs and representatives of the Russian Federation State Committee for Military-Technical Policy and the "Rosvooruzheniye" State Company took part, they discussed matters of military and military-technical cooperation.

Andrey Kokoshin pointed out at the end of the meeting that Russia and India are forging strategic partnership relations in which military and military-technical cooperation plays a significant role. The scale of this cooperation expanded considerably during 1995, A. Kokoshin noted. The agreements signed by the Russian Federa tion president and the Indian premier in 1993 are being implemented. The documents signed during the Russian military delegation's visit in March 1995 are in operation. Experts estimate that Indian orders placed with the Russian defense industry make it possible to safeguard at least 200,000 jobs.

Taleban Demands on Downed Aircraft Called Realistic

LD2808185895 Moscow INTERFAX in English 1548 GMT 28 Aug 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 28 (Interfax) — Moscow "sees nothing unreal" in the new demands put forward by the Afghan opposition group Taleban for freeing seven members of the crew of the Russian IL-76 plane, a high-ranking Russian Foreign Ministry official told Interfax in Moscow Monday.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Taleban fighters downed the IL-76 of the Russian private company Aerostan (Tatarstan) on August 3 near the Afghan town of Kandahar. Aboard the plane, rented to the Afghan government, they found ammunition bought by the Borhanoddin Rabbani government in Albania.

A delegation including Muslim religious figures from Tatarstan and Kazan (capital of Tatarstan — IF Note) as well as representatives of the Russian Foreign Ministry and Aerostan visited Kandahar Saturday.

According to the Russian diplomat, the delegation was received by only "third-ranking Taleban leaders, while top leaders still refuse to meet directly."

"We get the impression that Taleban were not going to have a constructive discussion on the issue and only agreed to meet with our delegation in order to put forward new demands," said the diplomat.

He noted that during the Saturday meeting Taleban "did not even mention their original demand to give them the lists of the 60,000 Afghans who had allegedly been interned and are held on the territory of the former U.S.S.R."

"It must have been a touchstone to test us just in case. Taleban have demonstrated how patriotic they are and how they fight for the interests of the Afghan people as a whole. Now they forgot about the lists," said the Russian diplomat.

He said that now Taleban demand that Moscow provide written guarantees that it will not interfere in the Afghan internal affairs in any form. In addition, they demand, without specifying, that a meeting of Russian, the U.N. and the Islamic Conference Organization representatives be held in Kandahar on September 2.

The high-ranking Russian Foreign Ministry official stressed that the new demands do not contradict Russian policy towards Afghanistan. "They do not demand anything impossible this time. Moscow can on any level and in any, including in the written, form reiterate its position of non-interference into the internal Afghan conflict," he said.

The diplomat also said that Taleban lack political experience and cannot state their ideas clearly. "For example, it is not clear what they mean by "non-interference." If Taleban want that Russia move its border farther from Afghanistan, say, to the North Pole, we are not prepared to do it, of course," he said.

According to the diplomat, Russia does not object to meeting with U.N. and Islamic Conference Organization representatives Saturday. "We are working on it now but as to the meeting itself and to its date, not everything depends on Moscow. We can only hope for a positive response of other sides," he said.

The Foreign Ministry official said that though Taleban members show no intention to continue meeting with the Tatarstan delegation, it still remains in al-Shariqah (UAE).

The diplomat said that the delegation wants to "carry out some of its plans." In particular, some members of the delegation want to use their personal connections "if not with Taleban themselves, then at least with forces that have influence on them."

He confirmed earlier Russian media reports that the conditions in which the Russian crew members are held worsened, but he said it was only temporarily.

The Russian diplomat said that a Western radio station broadcasting to Afghanistan said that Russian Air Forces had bombed Taleban's positions and that Kabul intended to free the Russian citizens by force with Russia's consent.

In addition, Vladimir Zhirinovsky, leader of the Liberal Democratic Party of Russia, called to use force to free the crew, the diplomat quoted Taleban members as saying.

The Foreign Ministry official said that although the radio station's reports were not true, they, together with Zhirinovsky's statement, made Taleban "move our people to another place with worse conditions. Taleban explained that it was done in the interests of the crew's security. Later, they were returned to the hotel they had lived in before."

The diplomat believes there are indications that "Taleban will eventually free our crew."

"We have no doubts about that. The question is when. Taleban wants to reap a maximum political profit from the incident, and this causes delays."

Talks on Seized Crew Suspended

LD2908105395 Moscow ITAR-TASS in English 1030 GMT 29 Aug 95

[By Viktor Lebedev]

[FBIS Transcribed Text] KUWAIT, August 29 (Itar-Tass) — Talks about the Il-76 transport airplane and its crew held in the Afghan city of Kandahar since August 3 by the Taleban opposition movement have been suspended and are likely to restart at the end of this week, judging from reports received here.

Meanwhile, the Taleban leadership in Kandahar allowed a Reuter reporter to meet the Russian crew. The

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reporter cites the crew commander's story about the circumstances of the seizure of the plane.

According to the report, the pilot of the MiG-19 fighter-plane belonging to the Taleban contacted the Il-76 crew by radio and threatened to shoot the cargo plane down if it refused to land immediately.

The crew commander now understands that it will take some time to ensure the release of the Russian crew. At first we thought it was a mere misunderstanding and that we would get out of there in a day or two. But now we understand that the Talebs are in no hurry, the report quoted the crew commander as saying.

One of the Taleban leaders said the Russians had intervened in the Afghan affairs for many years and left the country in ruins after their withdrawal. He said the Russians facilitated killings by supporting the Rabbani government.

"We tried to explain that we were working for a private air carrier "Transavia" that was based in the United Arab Emirates and was in no way connected with the Russian government, but the Talebs were only interested in the fact that we came from Russia," the report quotes the crew captain as saying.

The British reporter stressed that the crew were held in a guest house, and the conditions were acceptable except for the oppressive heat and the local cuisine that was absolutely strange to the Russians. He cites the Russian prisoners as saying that "we are facing two options: they will either set us free or shoot and kill. We have to wait for their decision."

Decree With Uzbekistan on Economics Issued

954F3184A Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13

[Decree 758 of the Government of the Russian Federation of 27 July, in Moscow: "On the Conclusion of an Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on the Basic Principles and Directions of Economic Cooperation for 1996-1997"]

[FBIS Translated Text] The Government of the Russian Federation decrees:

That it approves the draft Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on the Basic Principles and Directions of Economic Cooperation for 1996-1997 (attached) presented by the Ministry of the Russian Federation for Cooperation With States of the Commonwealth of Independent States and coordinated with the Ministry of Economics of the Russian Federation, the Ministry of Foreign Affairs of the Russian Federation, and other interested federal executive authorities.

That it charges A.A. Bolshakov, deputy chairman of the Government of the Russian Federation, with signing the said agreement on behalf of the Government of the Russian Federation, authorizing revisions and addenda which are not of a fundamental nature to be made to the attached draft.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

Explanation of Agreement

954F3184B Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13

[Unattributed explanation of the Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on the Basic Principles and Directions of Economic Cooperation for 1996-1997: "On the Basis of Strategic Partnership"]

[FBIS Translated Text] Many observers have as of late come to note the cool relations between Tashkent and Moscow. But the recent visit to Uzbekistan of Prime Minister Viktor Chernomyrdin confounded, it has to be thought, their gloomy forecasts. The large package of documents signed by the leaders of both countries confirmed once again that Russia and Uzbekistan are not severing their traditional ties but, on the contrary, are endeavoring to develop them on qualitatively new principles of equality, respect for state sovereignty and mutual benefit, and the common economic, S&T, and humanitarian space of both states.

And in this sense also the Agreement on the Basic Principles and Directions of Economic Cooperation for 1996-1997 signed in Tashkent establishes good prospects for the development of relations between the countries. Each party will refrain from actions that could be detrimental to the interests of the other party; create favorable conditions for economic entities, state authorities, and organizations of both states cooperating on a long-term basis; and provide for recognition of the right and sanctity of ownership of legal entities and individuals of the state of the other party on the territory of its own state with national legislation [sentence as published].

In addition, both Moscow and Tashkent will adopt specific measures for the coordination of the economic reforms, the rapprochement of national bodies of legislation, the harmonization of structural, monetary, currency, tax, price, and social policy, and the creation of mutually acceptable terms for the phased transition to the unrestricted movement of goods, services, capital,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and manpower between both states. Which will contribute to a considerable extent to Uzbekistan's affiliation to the Customs Union of Russia, Belarus, and Kazakhstan.

This is for the future, but meanwhile the parties will take practical steps to stimulate an increase in reciprocal commodity turnover, realize on the territory of both states free trade procedures, create equal legal and economic conditions for the economic entities, and gradually remove tariff and nontariff restrictions in reciprocal trade.

A permanent intergovernmental commission for economic cooperation between the Russian Federation and the Republic of Uzbekistan will be set up for the elaboration of long-term programs of the development of bilateral trade and economic and other relations and an improvement in the mechanisms of their implementation. In addition, trade missions, which will facilitate the opening and the activity on the territory of both states of offices of economic entities and state authorities and organizations, will open in Moscow and Tashkent.

In the sphere of payment-clearing and currency relations, the parties will engage in joint actions to ensure the mutual convertibility of the national currencies by establishing a concerted procedure of the determination of currency rates, maintaining their stability, and developing national currency markets and will support other practical measures aimed at the formation of a common financial market.

According to the document, Moscow and Tashkent will contribute also to the formation of joint financial and industrial groups and holding and leasing companies, to the formation and activity of transnational associations, and to the development of other progressive forms of the use of national capital in the production, investment, financial and banking, and commercial spheres. They will ensure favorable conditions and create efficient mechanisms for the encouragement of mutual investments and their protection and will also facilitate the opening and the activity on the territory of their state of branches and offices of commercial banks and financial and investment companies of the state of the other party.

And, furthermore, economic entities of the state of one party shall be entitled to purchase on the territory of the state of the other party any property, including enterprises and other property complexes, interests in their property (shares, stock), and a license to use natural resources for economic activity permitted by the legislation of this state.

In the sphere of S&T cooperation, both states will contribute to the creation of joint scientific research organizations in the interests of the development and realization of concerted basic and applied research projects.

The agreement provides also for the development of social and cultural ties, financial support for cultural centers, and interaction in the field of health care and public education.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Political Issues

Yeltsin Yet To Receive Bill on FRY Sanctions

LD2808175595 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — The bills about Russia's unilateral lifting of sanctions against Yugoslavia and imposition of sanctions against Croatia that were approved by the State Duma on August 12 have not reached Boris Yeltsin, Sergey Filatov, the president's chief of staff, told INTERFAX.

Filatov explained that once they are passed by the State Duma, bills are sent to the upper house, the Federation Council, before they reach the president. The Federation Council has two weeks to start the debate of a State Duma-approved bill.

That deadline is automatically put off when the Federation Council is vacationing. The new count starts after the first Federation Council's post-vacation session. In effect, the Federation Council has until early October to start the sanctions debate.

Yeltsin Meets With Tatarstan President Shaymiyev

LD2808132895 Moscow INTERFAX in English 1236 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — Russian President Boris Yeltsin met Tatarstan leader Mintimer Shaymiyev in the Moscow Kremlin today to congratulate him and all citizens of Tatarstan on the Day of the Republic to be marked on August 30. It will be the fifth anniversary of the Declaration on State Sovereignty of Tatarstan, reports the presidential press service.

According to Yeltsin, it was a landmark event in the formation of new federative relations in the Russian state. The treaty on division of powers and competence spheres between the Russian federal power bodies and power bodies of Tatarstan, signed in February 1994, plays the key role in this process, stressed Yeltsin. He noted that this treaty is an example of civilized solution of problems against the background of forming Russian federalism.

Yeltsin and Shaymiyev noted that the treaty is being observed by both sides thanks to common efforts.

The presidents discussed the election campaign that has begun in the country.

Shaymiyev informed Yeltsin on the social and economic situation in Tatarstan and said it is stable. He noted that Tatarstan, which plays an important role in the Russian economy, has managed to suspend production recession. Production growth started in the Republic in the second half of this year. Tatarstan has fully met its domestic food grain needs despite a drought.

Shaymiyev also commented on the restoration of the KAMAZ engine plant and the situation in the republican petrochemical industry.

The two sides discussed banking and finances.

Leaders Discuss Plane Seizure

LD2808164595 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 28 Aug 95

[FBIS Translated Text] The president of Russia today personally took up the problem of the seven Russian airmen seized in Afghanistan. The Postfactum agency reports that Boris Yeltsin discussed this matter with Mintimer Shaymiyev, president of Tatarstan. The details of the meeting and its possible results have not been revealed.

However, at the talks with the leadership of the Taleban movement which is holding the airmen, a certain amount of progress has been observed. The Russian diplomat Timur Akulov said that the situation was no longer in a state of impasse. He said that Taleban now recognized that Russia and the aircraft's crew were not involved with the cargo of weapons and munitions which were on the aircraft.

However, in spite of the progress at the talks it is still not possible to say when the Russian citizens will be released.

Yeltsin Receives Interior Minister, Officials

LD2808154695 Moscow ITAR-TASS in English 1535 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, August 28 (ITAR-TASS) — Russian President Boris Yeltsin held a series of meeting and talks with the leaders of various agencies and Russian regions on Monday, the presidential press service said.

In his meeting with Interior Minister Anatoliy Kulikov, Yeltsin stressed the need to step up fight against crime and increase the effectiveness of crime prevention measures.

Yeltsin also had talks with Foreign Intelligence Service chief Yevgeniy Primakov to discuss a broad range of issues connected with the activity of Russia's foreign intelligence.

The president confirmed that he has no plans to reorganise the service because it employs top-class professionals and he has no reason not to trust them.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Russian leader also met Minister of Fuel and Energy Yuriy Shafranik to discuss preparations for the coming autumn and winter and the state of affairs in the fuel and energy complex in general.

Yeltsin drew the minister's attention to the need to ensure steady heat supplies to the Far North.

Problems facing the fuel and energy sector also featured prominently during the president's meeting with Omsk region governor Leonid Polezhayev.

Later in the day the president had two separate meetings with his chief of staff Sergey Filatov and Tatarstan's President Mintimer Shaymiyev to discuss the ongoing election campaign.

Yeltsin Edict Establishes Siberian Oil Company

LD2908110595 Moscow ITAR-TASS in English 1047 GMT 29 Aug 95

[FBIS Transcribed Text] MOSCOW, August 29 (ITAR-TASS) — President Boris Yeltsin issued on Tuesday a decree on establishing an open joint stock company called "Siberian oil company". Here is the text of the document:

"To develop the production structure of the fuel and energy complex, to encourage competition in the industry, to boost volume and to raise efficiency of work of joint stock companies and enterprises of the oil and oil-processing industries and deliveries of petroproducts as well as to accelerate their technical retooling, I rule:

1. To adopt a proposal by the administrations of the Yamalo-Nenets autonomous area, the Tyumen and Omsk regions as well as work collectives on establishing the open joint stock society "Siberian Oil Company" ("Sibneft"), including in its composition the following joint stock societies of open type: Noyabrskneftegaz, Omsk oil refinery, Noyabrskneftegazgeofizika and Omsknefteprodukt.

2. The government of the Russian Federation should provide for holding 51 percent of this company's shares for three years as federal property, when establishing the Sibneft society.

3. The present Decree comes into force from the day of its signing."

Chernomyrdin Announces Plans for Export Duties

MM2908092095 Moscow ROSSIYSKIYE VESTI in Russian 29 Aug 95 p 1

[Unattributed report under the "Corridors of Power" rubric: "Statements. Export Duties To Be Cut"]

[FBIS Translated Text] The Russian Government intends to substantially reduce export duties on Russian goods in the near future and to subsequently move toward the abolition of export duties entirely. That was announced by Russian Government Chairman Viktor Chernomyrdin. According to Chernomyrdin, Russian President Boris Yeltsin has issued the relevant instruction to the government and export duties will be cut and subsequently abolished not just on oil and gas but also on metal and metal structures, machine building output, and petrochemicals. Even though this will represent a tangible loss to the budget, the Russian premier stressed, government experts are presently devising mechanisms for the introduction of this measure which will then be approved at a government session. The reduction of export duties is designed to boost Russian exports.

Chernomyrdin Comments on Financial Market

LD2908112595 Moscow ITAR-TASS in English 1101 GMT 29 Aug 95

[FBIS Transcribed Text] MOSCOW, August 29 (ITAR-TASS) — Asked by ITAR-TASS to comment on the situation in the Russian banking sector, Prime Minister Viktor Chernomyrdin today said the shrinking of liquidity of a number of Moscow commercial banks at the end of last week was temporary in character.

The Government, the Central Bank of the Russian Federation and the major commercial banks have worked out and implemented measures to overcome the problem. Settlements were resumed on the market of Interbank loans already by the end of the day on Friday, the Prime Minister explained.

According to him, other sectors of the financial market are now functioning normally, including the market of State Treasury bonds, the currency market and the market of corporate securities.

The Government and the Central Bank of the Russian Federation facilitated the normalisation of the financial markets by purchasing securities on the open market and taking other steps in full accordance with Russia's monetary policy and international obligations.

The Prime Minister expressed surprise that many foreign banks had not yet restored normal financial relations with Russian banks whereas the banking situation in Russia had returned to normal.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Glukhikh To Head UAE Cooperation Commission

MM2908090995 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 95 p 4

[Russian Federation Government Decree No. 753 signed by Premier Chernomyrdin in Moscow on 24 July: "On Approving the Chairman of the Russian Part of the Russo-Emirian Intergovernmental Commission for Trade, Economic, and Technical Cooperation"]

[FBIS Translated Text] The Russian Federation Government decrees that:

V.K. Glukhikh, chairman of the Russian Federation State Committee for the Defense Sectors of Industry, is approved as chairman of the Russian part of the Russo-Emirian Intergovernmental Commission for Trade, Economic, and Technical Cooperation.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 24 July 1995
No. 753

Moscow, Buryatia Sign Treaty on Division of Power

LD2908094895 Moscow ITAR-TASS in English 0927 GMT 29 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, August 29 (ITAR-TASS) — Russia and Buryatia today signed a treaty on the division of authority and powers between their bodies of state authority in a ceremony in the Kremlin.

"Russian regions must learn to solve most of their problems independently. It is with this in mind that we agree to a sensible division of authority and powers" between the federation and its component entities, Russian President Boris Yeltsin said at the ceremony here today.

President Yeltsin recalled that similar treaties have been signed with five component entities of the Russian Federation: Tatarstan, Bashkortostan, North Ossetia, Yakutia-Sakha and Buryatia.

He said that "by joint efforts we have removed the very ground for any conflicts and created a legal framework for fruitful constructive interaction."

Yeltsin recalled that relations between Russia and Buryatia date back to the early 17th century and noted that "despite a multinational character of its population, Buryatia has been and remains a region of civil peace and concord."

The Russian President said the treaty provided "a smoothly running mechanism of interaction between the centre and regions," and pointed out that the agenda now included the working out of federal programmes for the social and economic development of those parts in the republic of Buryatia which have been granted the same status as Arctic regions and the area through which the Baykal-Amur main railway runs.

Yeltsin also pointed to the need to make efforts to improve the environment around Lake Baykal.

Earlier, Russia and Buryatia signed a number of intergovernmental agreements for which the treaty signed today has become a legal framework.

The signing of the treaty was originally scheduled for July eleven but had to be postponed after Yeltsin was hospitalised with a heart problem.

Government Backs Improvements in Migration Service

MK2608114695 Moscow KOMMERSANT-DAILY in Russian 25 Aug 95 p 3

[Report by Vladislav Borodulin: "A Pulp-Fiction-Style Meeting"]

[FBIS Translated Text] A recent regular meeting of the Russian Government had one distinctive feature: The presence of specifics in each decision was inversely proportional to the importance of each question under discussion. For instance, while the Finance Ministry's proposals "on improving the system of interbudgetary relations" were sent back to be finalized, a much more marginal question of government officials' foreign trips brought about severe reprimands.

Recently, or more exactly, since the "Russia Is Our Home" electoral bloc was organized, it has become commonplace to view any steps taken by the [Russian] White House exclusively in light of the unfolding election campaign. Yesterday's meeting could well make experts with such inclinations feast. Indeed, "an improvement in the system of interbudgetary relations" can be seen as an overture to the regional elites, and the routine review of matters concerning the Migration Service as a sign of attention to Transuralia, which suffers from an influx of Chinese; and, finally, the severe criticism leveled at bureaucrats with a penchant for free voyages abroad should be interpreted as the government's readiness to clean its ranks and to repent. Be that as it may, this will remain outside this material.

The Finance Ministry-proposed changes in the existing procedure of interbudgetary relations — or, simply speaking, the procedure for distributing federal subsidies among regions — have elicited, let us say, a mixed reaction. The range of complaints was extremely wide

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

— from the trite "there is not enough money all the same" to really unconventional ones. A regional representative came out against "stability" — norms of splitting tax revenue between the federal and regional budgets, to be set for a three-year period. Let me repeat, however, that the diverse complaints were so numerous that the participants in the meeting could not reach a common view even theoretically during the two hours of discussion. A working group under Anatoliy Chubays set up for this purpose will have to do so in a few days.

The proposals by the Federal Migration Service [FMS] aimed at improving its operation were generally approved. FMS chief Tatyana Regent managed to convey to the audience the tragic undertones of the existing situation (she was aided by Pavel Grachev, though, who said that "the Chinese are setting up armed and trained combat detachments behind high fences in the Russian Far East"), and the government agreed with nearly all the proposals made by the service — even with fairly radical ones, such as suspending Russia's membership in the UN's 1951 convention and its 1967 protocol. "We must admit frankly that for the time being we cannot fully comply with international accords on refugees for economic reasons," summed up Oleg Soskovets, who chaired yesterday's meeting.

The third and last item on the agenda bordered on the criminal. The thing is that in 1993 Boris Yeltsin issued an edict banning civil servants from traveling abroad at the expense of "the receiving side or at the expense of enterprises, institutions, or individuals." An inspection by the presidential Control Administration found that more often than not the edict is being violated. It follows from the Control Administration's memo that violations have been registered in 32 ministries involving 525 officials. Four ministries — the Foreign Economic Relations Ministry, the Economy Ministry, the Finance Ministry, and the Nationalities Ministry — stand out and above the rest. The list of individual achievements, however, is even more impressive. Quite unexpectedly, it is a certain Ye. A. Lenskaya, chief of a main administration in the Education Ministry, who won the contest. This official of a secondary ministry contrived to make eighty (80) foreign trips in 1994 (at least, this is what the presidential Control Administration's memo asserts). The closest runner-up — M. P. Kholodnyy of the Culture Ministry — trails by 30 trips; he paid 29 visits to Spain and 21 to Italy in one year. An official of the Atomic Industry Ministry with a modest score of 46 foreign trips brings up the rear of the champion trio.

Oleg Soskovets found himself in a fairly ticklish situation. On one hand, he cannot disobey the president's unequivocal directive in writing tasking him with "straightening out this situation in the most thorough fashion." On the other hand, "blowing up" this scandal and, therefore, taking on all ministers at once would have done no good either. As a result, a moderately hard line was chosen, which Soskovets, all things considered, had a moral right to do, because he himself made only eight foreign trips in two and a half years. Of course, the first deputy prime minister ordered the disgraceful behavior cut short immediately, imposed penalties on the top management of the four ministries cited above, and called on the rest "to travel more around Russia and to get to know the situation in situ, not in the calm of offices or abroad."

[Article includes the following boxed passage]

Official Assessment of the Migration Situation in Russia:

...In recent years, drastic changes have occurred in the migration-related population exchange between Russia and the states of the new abroad. Over the past five years, the influx of migrants into this country has grown by more than a third. In 1994 alone, a total of 1,146,000 people migrated to Russia, the net population increase reaching 914,600 people. By expert estimates, over the next two to three years, an additional influx of migrants from the states of the near abroad may amount to 400,000 people from Transcaucasia; 2,900,000 people from Central Asia and Kazakhstan; and about 80,000-100,000 people from the Baltic states. Among the processes of internal migration, the most disturbing one is the trend toward an increasing outflow of the population from northern and eastern regions to the main absorption areas of central and southern Russia (2 million people over the past several years). A tense situation has come about with regard to external migration to Russia. With its external boundary changed, Russia has been subjected to a precipitous, uncontrollable, and virtually undiminishing influx of foreigners from the states of Southeast Asia, Africa, and the Near and Middle East, which, as a rule, are characterized by an unstable domestic situation and adverse sanitary-epidemiological conditions. People from the regions use Russia as a transit station to sneak into the countries of Europe, Canada, and the United States. By expert estimates, over 500,000 foreign citizens and persons without citizenship have massed in Russia, most of them staying in the country illegally. The existence of such a number of illegal migrants and their continued penetration into Russian territory (up to 100,000 people annually) pose a real threat to national security.

(From the Federal Migration Service's memo to the Russian Government)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Government Discusses Funding Regions

MM2508134895 Moscow ROSSIYSKAYA GAZETA in Russian 25 Aug 95 p 2

[Report by Maksim Zarezin under the "In the Russian Federation Government" rubric: "The Unsuccessful Carry the Successful"]

[FBIS Translated Text] Although the not entirely familiar word "transfer" [transfert] was generally used in the discussion of how the center is going to support the regions next year, it means a concept that is familiar to everyone — subsidy. But what kind of real changes should be expected in 1996? It is proposed to extend for three years the normatives elaborated by the Finance Ministry for payments from federal income into the fund for financial support of the regions, which, in the opinion of First Deputy Finance Minister Vladimir Petrov, will make it possible to carry out medium-term planning at the local level.

The next innovation is that the same payment normatives are envisaged for the budgets of all regions: 25 percent of value-added tax, 22 percent of the tax on enterprise and organization profits taking into account the maximum regional tax rate, and 90 percent of the income tax on physical persons (as against 100 percent in previous years). And 50 percent of the income from duties on liquor, vodka, and home-produced liqueur and vodka products will also remain at local level.

As a result the total forecast amount of transfers in 1996 will be 38 trillion rubles [R], as against R15 trillion last year, or 15 percent of the corresponding tax revenue coming in to the federal budget. As already said, aid will be given to 75 regions — the list was just three items longer last year — and 48 Federation components are ranked as "especially needy." They include Udmurtia, Adygea, Stavropol, and even the Orel region.

Both the deputy finance minister and many other speakers noted that the funds that the center is transferring to the Federation components are not reaching the city and rayon level, which is exacerbating the already tricky situation in the social sphere.

The blueprint presented by the Finance Ministry came in for rather harsh criticism at the government session. Thus, in the opinion of First Vice Premier Oleg Soskovets, there is no clear idea of precisely what the center is going to subsidize — if it is shut-down production facilities or the maintenance of enterprise fixed capital, then an unfeasible task is being set. The blueprint should stimulate the regions and make them work more effectively, but at present it is more advantageous for many of them to remain in the position of a freeloader.

Upon the conclusion of the discussion the Finance Ministry was instructed within a week to finalize the blueprint in light of the criticisms.

Political Groups' Election Preparations Reported

'Power to People' Approves Program

LD2808200195 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — A congress of the Power to the People bloc held a secret ballot Monday to approve its election program, federal election list and one third of candidates to be nominated in single-mandate constituencies.

An INTERFAX correspondent reported that the Power to the People leader, former Soviet premier Nikolay Ryzhkov, Russian All-People Union leader Sergey Baburin and Mothers for Social Justice Yelena Shuvalova headed the bloc's federal election list including a total of 270 candidates from various regions of Russia.

The three leaders are followed by a former Soviet deputy foreign minister, Yuliy Kvitsinskiy, Officers' Union leader Stanislav Terekhov, renown chess player Anatoliy Karpov, etc.

The election lists will be submitted for registration by the Central Election Commission on August 29, after which the bloc will start a canvassing campaign.

The congress decided to gather once again later this week to elect the rest of its candidates in single-mandate constituencies totalling about 100 persons.

Ryzhkov told INTERFAX that his bloc was a popular patriotic left-centrist association without extremist views. "The main provisions of its election programs are the restoration of a single Russia in its new form and the return of its status of superpower," he said.

"To return the former Soviet Union is unrealistic. We are going to unite on a new basis without depriving the former republics of their statehood," he remarked.

Among his bloc's potential election allies, Ryzhkov named the Communist Party of Russia, Agrarian Party of Russia and Aleksandr Rutskoy's Derzhava movement. At the same time, he described Russia Is Our Home, Russia's Democratic Choice and election blocs of Grigoriy Yavlinskiy and Boris Fedorov as its opponents.

Power to People expects to win 10% to 15% of votes at the future parliamentary elections.

Commenting on his possible participation in the 1996 presidential elections, Ryzhkov said: "The left-centrist

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

forces should unite and nominate a single candidate. If I am elected, I will go for the battle, if someone else, I will support him."

Rybkin Bloc Not Ally of Agrarians

LD2808183595 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — The Agrarian Party of Russia electoral bloc does not see the electoral bloc led by Ivan Rybkin among its allies for the coming parliamentary elections on December 17, Agrarian Party Chairman Mikhail Lapshin told INTERFAX in an exclusive interview today.

Lapshin explained the Agrarian bloc's stand by saying that the Agrarian Party of Russia "cannot imagine what the Rybkin bloc preaches." Lapshin said the Agrarian Party of Russia would interact in single-mandate districts with the Communist Party of Russia (led by Gennadiy Zyuganov), the trade unions (led by Mikhail Shmakov), the Industrialists and Entrepreneurs (led by Vladimir Shcherbakov).

IF note: Ivan Rybkin was elected to the State Duma in 1993 on the Agrarian Party's federal list. He remains a member of the party's leadership.

Lapshin said he believed that by accepting the Russian president's proposal to form one of the two president-approved electoral blocs, the so-called center-left bloc, Rybkin had "in fact left" the Agrarian Party. Lapshin said the Rybkin bloc, which was "built up in a hurry," failed to reflect the interests of farmers.

Lapshin said the Agrarian Party's central council would certainly discuss the position of one of its members. However, Lapshin said he thought that the party's central council would be "strong enough to display a reserved reaction" to Rybkin's decision to come out for the elections outside the Agrarian Party electoral bloc. Lapshin said such a "reserved reaction" was needed because the Agrarian Party's leaders did not want to repeat "the Yeltsin phenomenon." Lapshin explained his statement by saying that Yeltsin had managed to woo voters at the elections as a man who had suffered from the USSR Communist Party.

Radical Communists Form Electoral Bloc

LD2808183295 Moscow ITAR-TASS World Service in Russian 0848 GMT 28 Aug 95

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Translated Text] Moscow, 28 Aug (ITAR-TASS) — Radical communists who failed to come to an agreement on cooperation during the elections with the Communist Party of the Russian Federation, have formed their own electoral bloc, called Communists-Working Russia-for the Soviet Union.

The bloc was set up at a conference held behind closed doors in Moscow on Sunday, at which the Russian Communist Workers' Party and the Russian Party of Communists merged, Viktor Anpilov, one of the leaders of the Russian Communist Workers' Party and of Working Russia told ITAR-TASS in an interview today.

He said the founders of the bloc were the Russian Communist Workers' Party and Anatoliy Kryuchkov's Russian Party of Communists. The bloc was also joined by the Russian Communist Party — the CPSU, the United Front of the Working People,and the Congress of Soviet Women.

The bloc's federal list is headed by Viktor Tyulkin [Russian Communist Workers' Party], Anatoliy Kryuchkov and Viktor Anpilov. The bloc will field candidates in 120 single-seat constituencies.

The bloc's electoral program is called "For Our Soviet Motherland." It was adopted by Working Russia at a congress in June, said Anpilov. According to him, the main difference between the program and Gennadiy Zyuganov's Communist Party of the Russian Federation revolves round the question of the attitude to property. "There can be no social accord with those who grew rich at the expense of the working people, nor is any civilized discourse with them possible," he added.

Thus, communists will be represented at the elections by three organizations: The Communist Party of the Russian Federation, the Union of Communists, and the Communists—Working Russia—for the Soviet Union bloc.

'Salvation Front' Denied Registration

MK2608091095 Moscow SEGODNYA in Russian 25 Aug 95 p 2

[Report by Petr Zhuravlev: "Ivan Rybkin's and Nikolay Ryzhkov's Blocs Have Been Registered. The Mother Tongue Has Played a Bad Trick on the Irreconcilable Opposition"]

[FBIS Translated Text] At yesterday's Central Electoral Commission [CEC] meeting, two more electoral associations received authorized copies of their lists of nominees for deputies to the 4th/2nd State Duma. The group of five parties that since last week have been collecting signatures to uphold the official registration of their slates has now been joined by the National Republican Party of Russia [NRPR] (with a slate of 45 candidates topped by Nikolay Lysenko, State Duma deputy and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

head of the party, and Nikolay Pavlov, the NRPR's political secretary and former deputy to Soviet Russia's Supreme Soviet) and the Russian Party (with a slate of 160 candidates topped by retired Colonel Vladimir Miloserdov, party head).

Whereas electoral associations (popularly called parties) are permanent organizations registered with the Justice Ministry, the law says that electoral blocs formed in preparation for an election are to be registered with the CEC. Three blocs were registered at yesterday's meeting: "Power to the People" (founded by the Russian [Military] Officers' Union and the "Mothers for Social Justice" movement, with the slate most likely to be headed by Nikolay Ryzhkov and Sergey Baburin), "Serving Russia" (founded by the Economic Community of Reserve Servicemen and the "Russia Revived" people's fund), and "Ivan Rybkin's Bloc" (comprising "People's Movement — Russia;" the "Regions of Russia," "Accord," and "Union of Realists" movements; the Russian Youth Union; and the "My Fatherland" association).

The "FNS" [expansion not given] bloc (instituted by the Petr Struve Historical and Educational Fund and the Party of the Scientific and Technical Intelligentsia, headed by Aleksandr Krasnov, former chairman of the [Moscow] Krasnopresnenskiy District Soviet) was denied registration yesterday. The CEC's resolution says in this respect that, first, the bloc "failed to meet the legal provisions requiring name clarity," and, second, the Justice Ministry has registered the National Salvation Front, and the fact that its abbreviated name [FNS in Russian] coincides with that of the bloc could cause confusion.

Olga Zastrozhnaya, CEC member, justified this decision yesterday by saying that, according to the law, the preparation and holding of an election must be "public and open." She believes that in this case the CEC cannot guarantee this, because the bloc refused to expand its name. "We have no right to register a pig in a poke," said Ms. Zastrozhnaya. In his turn, Valeriy Smirnov, head of the "FNS" Political Council, said that his sympathizers did not regard the bloc's name as an abbreviation and were even ready to guarantee that the "FNS" string would not be expanded during the election campaign. "We have a strategy of our own, and the law does not impose any restrictions on the use of characters and words for names of parties and blocs," he said. Mr. Smirnov also added that no abbreviation (in this case, FNS) is the "property" of any party (in this case, the National Salvation Front). One CEC member replied that, in accordance with the Election Law, the Central Electoral Commission must approve the text of ballots in Russian, and that there is no such word in the Russian language as "FNS."

Mr. Smirnov told journalists in the corridors that "the president and the government" are trying to act like in 1993, when the National Salvation Front was not allowed to participate in the election. The head of the bloc admitted that the attempted registration was a kind of feeler put out to test the above theory. According to Mr. Smirnov, the bloc is going to make a legal claim against the CEC decision.

It should be borne in mind that some time ago the National Salvation Front split, and Mr. Smirnov became head of one of its factions. In other words, the current situation seems to have been caused by intraparty conflicts and a fight for the "brand name." Had Mr. Smirnov spelled out the name of his bloc as "National Salvation Front," he and his comrades-in-arms would have inevitably been drawn into legal proceedings initiated by the other half, also laying claim to this name. Therefore, either for fear of losing the case or thinking it unwise to initiate one on the eve of the election (other reasons are also possible), Valeriy Smirnov was forced to enrich "the great and powerful" [Russian language] with a new word.

'Tax Reducers' To Run in Election

MK2608130095 Moscow SEGODNYA in Russian 25 Aug 95 p 2

[Report by Viktor Khamrayev: "'Tax Reducers' Are Counting on Help of 'Friends in Factions.' Their Party Criticizes the Government, But Does Not Wish the Chernomyrdin Bloc a Defeat"]

[FBIS Translated Text] The Party of Tax Reduction Supporters [PTRS] intends to enter the election marathon to attain a "civilized, rational, and efficient tax system" and counter the "current irrational and predatory system."

Party Chairman Valentin Dyuryagin said at a news conference yesterday that the PTRS had already had its electoral association registered with the Central Electoral Commission and started to collect signatures in the 58 regions where it had its branches.

The party is embarking on its fight against "irrational taxes" even before it is elected to the Duma: At meetings with voters, the PTRS leader assured, its canvassers will disclose the "confiscatory nature" of the present tax system, which has given the country and its economy a criminal turn. Criticism will mainly be leveled at the government and the "Russia Is Our Home" bloc, who intend, according to Mr. Dyuryagin, "to perpetuate the existing system" under which "as before,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

there is no market, only monopolism." Mr. Dyuryagin supposes that in this way the PTRS will be able to draw voting support not only from small and medium-sized businesses (for whose protection the party was created), but also from average voters. Party members will explain to common people that reduced taxes will activate business activity and raise state budget revenues. This, in turn, will enable the government to spend more money on social needs.

Still, Mr. Dyuryagin assured media workers that he did not wish the Chernomyrdin bloc a defeat, so that the October 1993 events would not be repeated.

The tax reduction supporters see their party's priority task in preventing the adoption of the Tax Code in the form proposed by the Finance Ministry, using, as Valentin Dyuryagin put it, "friends in all factions" of the present Duma. In addition, Dyuryagin believes that efforts should be made to impel the government to redraw the 1996 state budget, execution of which, in the opinion of the PTRS chairman, would lead to a further increase in "predatory tax rates."

At the same time, Valentin Dyuryagin emphasized that his party was a nonpolitical one, since it was not striving to attain any "abstract ideals, like socialism or unity and accord, etc." The PTRS is a program party that pursues an "utterly specific and practical" objective. Therefore, as reporters were told, people of diverse political convictions are joining this party.

For instance, the name of the well-known economist Larisa Piyasheva, who is not a PTRS member, is No. 2 in the central part of the federal slate. According to Ms. Piyasheva, the fact that the party goal is "explicitly specified" is appealing to her, and she is ready to help the PTRS "cease to exist" after its ultimate goal — a 30 percent aggregate tax rate — is attained.

'Democratic Choice' Names Candidates

LD2708123295 Moscow INTERFAX in English 1109 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 26 (INTERFAX) — The names of the leader of the Russia's Democratic Choice Party Yegor Gaydar, human rights activist Sergey Kovalyov and movie actress Lidiya Fedoseyeva-Shukshina will open the list of those who run for seats in the State Duma on the ticket of the electoral bloc Russia's Democratic Choice-United Democrats [RDC-UD] which was formed Saturday by the Democratic Choice Party.

The bloc brings together the Russia's Democratic Choice Party, the Party of Social Democracy, the Farmers' Party and the Committee of Russia's Ethnic Communities.

The former first deputy commander of the Russian ground forces Colonel-General Eduard Vorobev, who represents The Military for Democracy movement, Yelena Medvedkova of the Party of Social Democracy and Aleksandr Rudenko-Desnyak of the Committee of Ethnic Communities come after Gaydar, Kovalev and Fedoseyeva-Shukshina on the bloc's electoral ticket. The leader of the Party of Social Democracy Aleksandr N. Yakovlev cited his advanced age and health condition as reasons that prevent him from running for a Duma mandate.

The names of Duma members Boris Zolotukhin, Valentin Tatarchuk, Grigoriy Tomchin, Aleksandr Pochinok and Aleksandr Osovtsov also feature in the central part of the RDC-UD ticket.

The bloc has also drawn up a 90-man list of its nominations in one-mandate election districts.

The nominations are to be confirmed by secret ballot Saturday and revealed on Sunday, August 27.

Democrats Hold Congress, Form Bloc

LD2608162795 Moscow ITAR-TASS in English 1603 GMT 26 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — Russian democrats set up a new election bloc, "Democratic Choice of Russia — United Democrats," at their congress in Moscow on Saturday.

The congress participants adopted a declaration saying that if the new bloc wins in the forthcoming elections, it will use its "deputy mandate to carry out the policy of democratisation, the protection of the rights and freedoms of citizens, agrarian reform, peace and social justice in Russia."

The bloc will also seek to prevent attempts of a Bolshevik revenge, and provocations by nationalists and chauvinists, and fight corruption and all-permissiveness of bureaucrats.

"This is a historic moment in the development of the democratic movement as we are sending a signal that democrats must unite," Aleksandr Yakovlev, leader of the Russian Social Democratic Party, said.

Yuriy Chernichenko, head of the Peasant's Party, said he had had consultations with representatives of other democratic parties on the question of an alliance, but met an "epidemic of vanity and pride."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He said that one of the reasons for forging a union with Yegor Gaydar's "Democratic Choice of Russia" party was its position on the agrarian problem and the war in Chechnya.

The congress is expected to approve the lists of candidates for the upcoming parliamentary elections. The top five candidates include Gaydar, human rights activist Sergey Kovalev, actress Lidiya Fedoseyeva-Shukshina, General Eduard Vorobyov and Chernichenko.

The congress is being attended by members of Democratic Choice of Russia, the Russian Party of Social Democracy, the Peasants' Party of Russia and the Congress of National Associations of Russia.

Writer, Cosmonaut To Join Rybkin Bloc

MM2808121895 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 26 Aug 95 p 3

[Unattributed report under the "Political Profile" rubric: "From 'The Fish King' To Rybkin"]

[FBIS Translated Text] The wonderful Russian writer Viktor Astafyev (let us name just a few of his works, such as "The Shepherd and the Shepherdess," "The Fish King," and "The Seeing Scepter") has agreed to join the center-left electoral bloc headed by Ivan Rybkin. What is more, Astafyev's official statement is already lying on the State duma chairman's desk.

Evidently Ivan Rybkin, Boris Gromov, and Viktor Astafyev will be the bloc's top three personalities. The compilation of the list is in full swing. According to ROSSIYSKAYA GAZETA's information, Cosmonaut Musa Manarov, who is highly respected in the North Caucasus, will participate in the bloc.

Vorobev To Run in 'Russia's Choice'

MK2608132295 Moscow SEGODNYA in Russian 26 Aug 95 p 2

[Unattributed report: "Eduard Vorobev Will Run for Duma on 'Russia's Democratic Choice' Ticket"]

[FBIS Translated Text] Eduard Vorobev, former deputy commander-in-chief of Russian Federation ground troops, will run in a single-candidate constituency in Moscow on the "Russia's Democratic Choice [RDC]" ticket. A spot on the central part of the RDC federal list has been reserved for General Vorobev.

Commentary on Political Groups' Election Platforms

Trade Union Movement Examined

MK2908062295 Moscow SEGODNYA in Russian 26 Aug 95 p 2

[Report by Viktor Khamrayev: "Independent Trade Unions Expect To Clear '5 Percent Barrier.' Leader of Federation of Independent Trade Unions of Russia Is Not Scared of Failure in the Elections"]

[FBIS Translated Text] Mikhail Shmakov, leader of FITUR [Federation of Independent Trade Unions of Russia], said in an interview with your SEGODNYA correspondent that trade unions demand that, whenever they join anyone's electoral bloc, their role be recognized as leading or equivalent to that of other parties.

Mr. Shmakov believes that present-day independent trade unions (unlike the former Soviet ones) took shape and emerged as an independent political force this year. The trade union leader thinks, however, that "such as they are," none of the political parties currently active in Russia needs them: "neither the extraliberals, nor the ultracommunists." "Everyone wants to control the trade unions," Mr. Shmakov maintains. To this fact he tends to attribute the situation whereby the advocates of hired workers' interests have been left to encounter the electorate face-to-face. The "independent" Federation is going to be content, as its leader put it, only if it is put on an equal footing with the other participants of electoral alliances, which must be implied, among other things, by the bloc's name including the words "trade unions."

This was the reason, Mr. Shmakov said, that an electoral alliance with Gennadiy Zyuganov's Communist Party [CPRF] failed to come off, as the CPRF consented to the alliance only on condition that the trade unions "line up under the banner" of the CPRF and participate in the elections on behalf of the CPRF.

Conditions similar to those of the communists were proposed to the trade unions by the Agrarian Party of Russia [APR]. Bending Mikhail Lapshin toward a compromise turned out to be impossible, even after the bilateral negotiations on unification (24 August) were joined by Vladimir Shcherbakov, leader of the Russian United Industrial Party [RUIP]. Although there are six trade union associations (FITUR members) on the electoral list of the agrarian bloc, Mr. Lapshin refused to add the word "trade unions" to his bloc's name. This is perceived by Mikhail Shmakov as proof of APR's "purely corporate interests" and the agrarians' unwillingness "to dissolve themselves" either into trade

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

unions or any other organization. Moreover, the central part of the APR's federal list has already been finalized and is not subject to revision to benefit the trade unions.

At the same time, the trade union boss does not judge his own bloc's interests to be corporate, stressing that the trade unionists' participation in political structures has not been meant to provide their own "apparatchiks" with deputies' seats. Representation in the State Duma, Mr. Shmakov told your SEGODNYA correspondent, is necessary for trade union leaders as an additional mechanism to pressure the government, the reform course of which, Mr. Shmakov feels confident, needs to be corrected.

Correcting the government's course, in Mr. Shmakov's view, will only be possible with the concerted efforts of left and center-left forces. It was for the sake of this that the "Trade Unions of Russia — to the Elections" movement signed an agreement on aligning itself with Ivan Rybkin's bloc. The denunciation of his signature, called for in the first stage of the trade union bloc's conference, was put down by Mr. Shmakov to the fact that regional and branch leaders of the movement had not seen any "active steps" by the speaker of the Duma, had not heard a single policy statement of his, and could not make out the "political stand" of the center-left bloc's leader.

Mr. Shmakov recalled that the trade union bosses did not go as far as an outright rupture between themselves and Ivan Rybkin, leaving the final decision on the matter to the discretion of the conference's second stage, scheduled for 5 September. The speaker, however, was just in time to register his electoral bloc with the Central Electoral Commission. Thus, "the bridges have been burnt," Mr. Shmakov stated.

Mr. Shmakov, however, has not lost hope of forming a center-left coalition that would be in opposition to the center-right bloc. According to the trade union boss, an agreement with the RUIP (including an agreement on the name) has already been reached. Intense consultations are under way with the Zemstvo [a district or provincial assembly] movement and veterans' organizations. Furthermore, Mr. Shmakov does not discount the prospect of striking an alliance with Yuriy Skokov's Federation of Commodity Producers of Russia. An alliance with the Congress of Russian Communities led by the selfsame Skokov is squarely denied by Mr. Shmakov, though. Your SEGODNYA correspondent also learned that election-related interest in the trade union movement has been shown by Nikolay Ryzhkov's "Power to the People" bloc, Gavriil Popov's Russian Movement for Democratic Reforms, and Aleksandr N. Yakovlev's Social-Democratic Union.

However, judging from Mr. Shmakov's mood, the trade union bosses are ready to go it alone and try their luck in the elections with their own federal electoral lists. Branches of "Trade Unions of Russia — to the Elections" have been set up in 73 regions (whereas there are FITUR branches in 78 regions). In this regard Mr. Shmakov went on to say that his bloc should be supported by all trade unions in all regions having a branch of the electoral movement. At any rate, Mr. Shmakov has no doubts that "Trade Unions" "will clear the 5 percent barrier."

Failure in the election will not give the trade union leader a scare, for, as it seems to him, a lost fight for parliamentary seats will by no means doom the trade unions, in contrast to political parties, to "political non-existence."

'Patriotic' Parties Viewed

MM2808131395 Moscow IZVESTIYA in Russian 25 Aug 95 p 2

[Report by Andrey Akhremenko: "Who Is Stepping Forward Left Foot First? Parties of 'Patriotic' Orientation Reflected in the Mirror of the Election Struggle"]

[FBIS Translated Text] "Lenin, the Motherland, Socialism!" — this bold inscription, written on a garage wall in a village near Moscow by activists from the Russian Communist Workers Party, reflects the very curious state of mind of a pretty big section of our compatriots — communo-patriotism.

In addition to this state of mind, which sometimes borders on frenzy, there is also national-patriotism — another diverse phenomenon, rich in nuances and shades of meaning.

However, despite the diversity of party programs and the personal antagonism between leaders of a given orientation, they have in common the thesis of the revival of the Russian state as a great power, heir to imperial Russia or the equally "imperial" Soviet Union, something that is only possible, in their opinion, "with firm state power."

The Liberal-Democratic Party [LDPR], more famous as Zhirinovskiy's party, — "national-patriotism" of the first order — preaches the restoration of the division of the country into provinces along the lines of the Russian Empire, and an imperial foreign policy. The Russian National Union programs the revival of the USSR on "a genuinely federative basis." The Congress of Russian Communities, headed by Yu. Skokov and A. Lebed, places the main emphasis on opposing the centrifugal trends in Russia and on protecting the Russian population in the "near abroad." A. Rutskoy's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"Derzhava" is aiming at the "re-establishment of Holy Rus as a unitary state within its natural borders."

The "national-patriots" have long since given up socialist ideals and the corresponding phraseology. Placing the emphasis on state regulation of the economy, they do not intend to build communism "in one country."

The communo-patriots, conversely, have not yet lost their faith in the "radiant future of all mankind," and are continuing to raise the slogan "All Power to the Soviets!" The Communist Party of the Russian Federation [CPRF], headed by Gennadiy Zyuganov, should be categorized in this wing first and foremost, as well as the "old nomenklatura" party, the Union of Communist Parties-CPSU (O. Shenin), and a number of marginal communist structures (the Russian Communist Working Party of V. Tyulkin and V. Anpilov, Nina Andreyeva's All-Russian Communist Party of Bolsheviks, A. Kryuchkov's Russian Communist Party, and so on). The policy tenets of these and other parties are in a state of constant ferment and instability. Thus, Zyuganov's Communists are slowly but surely drifting away from the fundamental principles of Marxism-Leninism toward an intricate social democracy based on a strong state.

Among the "patriots," the principled rejection of the changes which have occurred in Russia since 1991 is accompanied by all manner of discord and fights. The stumbling block is naturally the struggle for votes at the elections coming up in December 1995. There is no end to the appeals for unity in the struggle against the "anti-people regime," but the most powerful and influential organizations in the "patriotic camp" as a rule refrain from forming blocs. Thus, the Zhirinovskiyites, who consider the policy of unifying into blocs and coalitions to be a sign of weakness, took up the slogan "We Have No Allies!" right from very outset.

Aleksandr Rutskoy's "Derzhava" social-patriotic movement also adheres to this strategy, although admittedly not entirely of its own will. According to V. Alksnis, secretary of the movement's National Committee, "Derzhava" diverges from the CPRF on questions of the national-state structure and in relation to the Chechen conflict. Furthermore, the CPRF, which considers itself to be one of the most influential parties, will not form a bloc with "Derzhava" on an equal basis for anything. Relations are no better with the LDPR, which, having raised slogans which are similar to those of "Derzhava" in terms of wording, "has in practice proved itself to be a pro-presidential and pro-government party." The Congress of Russian Communities [CRC], headed by Yuriy Skokov, is, according to Alksnis, very close to "Derzhava" in its ideology but, because of A. Lebed's presence in its leadership, "cooperation with the CRC is impossible." The "Derzhava" supporters are accusing the former army commander of the mortal sin of treachery, putting facts known to them onto the pages of the relevant publications and submitting them for the public's judgment.

Meanwhile, the CRC leaders, feeling pretty self-confident, are displaying their well-known tendency to form alliances only in situations when forming a bloc practically boils down to absorbing less powerful structures or when it provides them with effective regional support.

Other organizations are displaying immeasurable readiness to join all kinds of blocs and unions. Thus, the leaders of the Russian National Union [RNU] claim that the "Power to the People!" bloc created by them should serve as a kind of center of gravity for a broad coalition of "patriotic" organizations. So far Baburin has managed to attract to the "people's power" former Premier Nikolay Ryzhkov, as well as the All-Russia Officers Assembly under the leadership of Generals V. Achalov and V. Varennikov, and A. Sterligov's Russian National Choice.

Viktor Anpilov, leader of "Working Russia," has also created an electoral bloc, calling on all Communists to rally "under the banner of resistance." But the following response came straight away from the CPRF. As said by Yu. Sevenard, member of the CPRF Central Committee, the party leadership deemed "impermissible our unification with other parties and movements of a communist hue in a common bloc on the eve of the elections to the State Duma."

A great deal may change in the minds, speeches, and actions of the "patriots" before December 1995. But at the moment the conclusion that begs to be drawn is that the chronic disease of disconnection and an inability to unify is typical of all sectors of the Russian political spectrum, whether it be "democrats" or "patriots." At least in the federal center. As far as the outlying districts and regions are concerned, then a great deal there happens in its own way because of specific local features and without reference to Mother Moscow.

Military & Nuclear Issues

Official Urges State Support for Defense Industry

LD2608150195 Moscow ITAR-TASS in English 1454 GMT 26 Aug 95

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — First Deputy Defence Minister Andrey Kokoshin urged the Russian government to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

fulfil its financial obligations for 1995 and support the defence industry.

Kokoshin said the military have received only slightly more than 35 per cent of what they need to buy new weapons and continue research and development.

In his meeting with the chief designers at the ongoing aerospace show in Zhukovskiy, outside Moscow, on Saturday, Kokoshin discussed the latest modifications of helicopters developed by the Mil and Kamov design bureaus, and multipurpose space systems, including the GLONASS system which has already been used by both the military and civilian sectors.

The participants in the meeting also discussed the modernisation of military hardware and stressed the need to equip aircraft with new modifications of the "air-to-air" and "air-to-surface" missiles, and modern avionics. They pointed out that many of Russia's technological achievements and equipment are second to none, including helicopter avionics.

Destruction of Chemical Weapons Viewed

LD2808164495 Moscow NTV in Russian 1500 GMT 28 Aug 95

[Passages within quotation marks recorded]

[FBIS Translated Excerpt] [Announcer] President Boris Yeltsin and Prime Minister Viktor Chernomyrdin sent greetings today to workers at nuclear installations to mark the nuclear industry's 50th anniversary. [passage omitted]

[Unidentified correspondent] Russian Atomic Energy Minister Viktor Mikhaylov talked about another development that his ministry has been working on for the last four years.

[Mikhaylov] "...Destruction of chemical weapons using underground nuclear explosions."

[Correspondent] True, such nuclear explosions would contravene the nuclear test ban treaty that is currently being drawn up. In Mikhaylov's opinion, however, the Atomic Energy Ministry's development has one indisputable advantage.

[Mikhaylov] "This is approximately 100 times cheaper than any other means."

[Correspondent] Nevertheless, the minister declared that he does not take seriously France and China's explanations about the necessity of their carrying out additional nuclear tests.

[Mikhaylov] "What will these tests add to what they already have? Nothing at all."

[Announcer] Mikhaylov also announced today that the safety of nuclear installations is a priority for his ministry. Serious problems have arisen with this in the past.

Figures For Evasion of Military Service Reported

LD2508164595 Moscow 2x2 Television in Russian 1355 GMT 25 Aug 95

[FBIS Translated Text] Last year 800 young men were prosecuted in Russia for refusing military service. At the same time, 23,000 conscripts evaded army service, Anton Chelintsev, director of the Institute of Religion and Law, announced at a "Youth-Army-Women" roundtable. Representatives of the Committee of Soldiers' Mothers, the Movement against Violence, the Defence of Glasnost Fund and also of various religious organizations attended the roundtable. They voiced their intention to campaign for the State Duma to pass a law on alternative service.

Yeltsin Address on Anniversary of Atomic Industry

LD2808165595 Moscow ITAR-TASS World Service in Russian 0659 GMT 28 Aug 95

[FBIS Translated Text] Moscow, 28 Aug (ITAR-TASS) — Russian President Boris Yeltsin today congratulated employees old and new of the Russian Federation's atomic power sector on the 50th anniversary of the creation of the atomic power industry, the press service of the head of state reported.

"I warmly congratulate Russia's atomic power workers: Veterans of the atomic power industry, scientists, engineers, and workers on the 50th anniversary of Russia's atomic power sector," the message runs.

"Half a century ago the country's atomic power problem began to be tackled to the thunder of the explosions at Hiroshima and Nagasaki. This was of vital importance for the safeguarding of the security and future of Russia and for the preservation of a strong peace on the planet," the president said.

"We may take particular delight in the achievement, selfless labor, and inspiration of the pioneers who created a new sector, a sector of industry, in the shortest space of time. Those people worked on weapons but their minds were on peace. The atomic power industry quickened the development of a range of new sectors and technologies in Russia including 21st century technologies."

"Today Russia's Atomic Power Ministry is a basic sector of the economy of the fatherland. The preservation, strengthening, and development of this unique complex and the maintenance of absolute safety in nuclear power

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

engineering and industry are tasks of importance to the country as a whole. Russia threatens no one in the world. We are in favor of a reasonable reduction in nuclear weapons on the basis of parity in defense. But they remain the holiest of holies for the country's national security," Yeltsin stressed.

Chernomyrdin: Nuclear Industry 'Top Priority'

LD2808180495 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — The nuclear industry was, is and will always be Russia's top priority, Russian Prime Minister Viktor Chernomyrdin said Monday at a meeting marking the 50th anniversary of the country's nuclear industry.

He emphasized the contribution made by the industry to the national security and the power supply. Chernomyrdin said that nine Russia state-of-the art nuclear power stations cover 15% of the country's energy needs, in particular, 25% in the European part of the country.

In his words, the industry is one of the most advanced sectors of the Russian economy that has a lot to offer on foreign market. The industry's foreign dealings brought over $1 billion to the country's treasury. Chernomyrdin added that the industry has a great future and emphasized that the government intends to improve the efficiency of the industry and the safety of military and civilian nuclear installations and power stations.

The Nuclear Energy Minister Viktor Mikhaylov said that the industry takes an active part in programs of conversion to civilian uses, the military production accounting for as little as 14% of the total. He said that the industry intends to increase the revenue from exporting activities to $1.5 billion a year.

Grachev: Nuclear Weapons Still 'Main' Deterrent

LD2808182895 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — Nuclear weapons will remain the main war preventing deterrent, Russian Defense Minister Pavel Grachev told a meeting marking the 50th birthday of the Russian nuclear industry.

In Grachev's words, force must be adequate to the likelihood of the possible threat. The strategic nuclear forces will continue to act as this factor, he said.

Grachev called for keeping the nuclear shield adequately strong. He said that Russia should not lag behind other nuclear countries in security matters.

Grachev admitted that the situation in the world has changed from confrontation to reduction of the threat of a large-scale war and to a strategic stability.

Federal Assembly

Government Submits 1996 Draft Budget to Duma

LD2808123495 Moscow INTERFAX in English 1013 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (FIA-INTERFAX) — A draft 1996 federal budget was submitted to the State Duma Monday, Duma's Budget and Finance Committee told the Financial Information Agency.

The draft was generally approved by President Yeltsin back in the middle of August.

The president also amended it, as a result of which spending and revenues were increased by almost 3.5 trillion rubles and now stand at 414.4 trillion and 332.6 trillion rubles. The budget deficit remained unchanged — 81.8 trillion rubles or 3.9% of the gross domestic product.

First Deputy Finance Minister Vladimir Petrov had earlier announced that the draft budget was likely to be submitted to the State Duma for a first-reading discussion on October 5-10.

He said Duma had set up a working group to prepare the discussion of the 1996 federal budget. The group consists of representatives of parliamentary committees and factions.

Official Supports Draft

LD2808181595 Moscow INTERFAX in English 1542 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — A deputy chairman of the State Duma committee for budget, taxes, finances and banks, Aleksandr Pochinok of Russia's Choice, "very and very optimistically" took the government-proposed draft federal budget for 1996. The document, submitted to the State Duma Monday, envisions revenues of 332.6 trillion rubles and expenditures of 414.4 trillion rubles with a deficit of 81.8 trillion rubles.

Pochinok told INTERFAX in an exclusive interview Monday that "even given the most economically unfavorable developments until the end of the year, the deficit will not exceed the limit of 4% to 4.5% of GDP."

According to Pochinok, the budget revenues may be "substantially increased against the government-planned" after the document is scrutinized in parliament.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

At the same time, Pochinok regretted the government's one-month delay in submitting the draft budget to the State Duma. He remarked that now the document will be adopted in three readings, not four as was the case last year. He said "we will hardly have time to pass it by the end of the year, especially considering the inevitable differences between the deputies over this document aggravated by the election struggle."

According to Pochinok, he and his faction will insist on raising budget allocations for science, culture, education and national defense "calculated for one serviceman at the expense of cutting the armed forces."

In addition, it is necessary to render more substantial financial support to military conversion by cutting the state machinery.

Pochinok approved "the practice of granting state credits under highly efficient projects on a tender basis."

Pochinok said First Deputy Prime Minister Anatoliy Chubays had approved his proposal to increase the expenditures on repaying the internal debt. "We have to repay state obligations before the people, if we want to issue new loans for the people," he underlined.

Committee To Draft Law on Forming Council

LD2808141395 Moscow INTERFAX in English 1236 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 28 (INTERFAX) — A conciliatory commission staffed by parliament deputies and presidential representatives gathered Monday to discuss a law on forming Russian parliament's upper house. The law has been rejected by President Yeltsin. The meeting is being held in the State Duma, the lower house.

Presidential representative in parliament Aleksandr Yakovlev told INTERFAX Yeltsin had vetoed the law because its concept is unconstitutional. The law provides for voters electing the Federation Council, while the Constitution says the upper chamber is to be staffed by legislative and executive officials from constituent members of the Russian Federation, noted Yakovlev.

"Nevertheless, the Duma adopted the unconstitutional law, and the conciliatory commission is to elaborate its new text," he added. In the opinion of Yakovlev, constituent members of the federation shall have the right to decide whether to delegate to the upper chamber heads of their power branches, elected by people or nominated by the President.

Bearing in mind the Constitution does not set a clear procedure for the Council's formation, the State Duma sent an inquiry to the Constitutional Court in early summer. However, the Court has not considered the inquiry.

Regional Affairs

Georgians To Moscow for Abkhazian Settlement Talks

LD2908085695 Moscow ITAR-TASS in English 0747 GMT 29 Aug 95

[By Tengiz Pachkoria]

[FBIS Transcribed Text] TBILISI, 29 Aug (ITAR-TASS) — A delegation of Georgian officials has left for Moscow today to attend talks on Abkhazian settlement scheduled in Moscow on Wednesday.

The delegation includes senior adviser to the Georgian leader, first deputy chairman of Tbilisi-based council of ministers of the autonomous republic of Abkhazia (ARA), Londer Tsaava, and deputy chairman of the ARA parliament, David Gwadzabia. In Moscow, the Georgian delegation will be joined by Georgia's plenipotentiary ambassador to the Russian federation, Vazha Lordkipanidze.

In Moscow, the Georgian delegation will raise the problem of granting Abkhazia a status of a subject of the federation within the single federative Georgian state, Tsaava told ITAR-TASS. He pointed out that a new Georgian constitution adopted several days ago offers a juridical basis to grant Abkhazia the status of a subject of the federation within the single Georgian federative state. Tsaava added that Georgia is prepared to look into any reasonable proposal concerning an expansion of Abkhazia's rights and its status within the single Georgian federative state. He expressed the hope that participants in the forthcoming quadripartite talks, including representatives from UN and Russia, will accept Georgia's stance with understanding. He noted that regardless of the progress in the discussion of political issues, Georgia would principally raise the problem of the soonest beginning of the process of refugee return to Abkhazia.

As for Abkhazia, a source from the Abkhazian Foreign Ministry told ITAR-TASS today that Sukhumi's stance remains invariable: members of the Abkhazian delegation leaving for Moscow do not intend to discuss a draft document on granting Abkhazia a federative status within Georgia. It is only a variant of establishing a confederative state on the basis of equality between the two subjects of international law that might be discussed at the forthcoming talks, the same source said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

U.S. Firm Acquires Control of Kaliningrad Plant

MM2908135695 Moscow IZVESTIYA (Financial Section) in Russian 29 Aug 95 p 2

[PRAYM report: "U.S. Company Acquires 60 Percent of Shares in Insolvent 'Nemanskiy TsBZ' Joint-Stock Company"]

[FBIS Translated Text] The U.S. company Finvest Ltd. has won the commercial tender to acquire 60 percent of shares in the "Nemanskiy Tsellyulozno-Bumazhnyy Zavod" Joint-Stock Company (city of Neman, Kaliningrad Oblast). This factory-town enterprise was deemed insolvent by an extrajudicial procedure in early 1995. With the opening price being 1.8 billion rubles [R], Finvest bid R13.2 billion for a controlling stake. The terms of the tender require the winner to repay the joint-stock company's debts of R1,055.19 million and to invest R66 billion in modernizing production. Finvest has already remitted more than R7 billion to the accounts of the Neman Pulp and Paper Plant.

Rossel Plans To Revise Privatization in Sverdlovsk

MK2908062495 Moscow SEGODNYA in Russian 26 Aug 95 p 2

[Report by Yelena Tregubova under the "Debut" rubric: "Eduard Rossel Intends To Revise Results of Privatization in Oblast. Presidential Representative in Region Senses Approaching 'Bloody Drama'"]

[FBIS Translated Text] Yesterday, Eduard Rossel for the first time addressed Moscow journalists in his capacity as elected governor of Sverdlovsk Oblast. The new oblast leader chose to assure the press that he did not see the electoral campaign in Sverdlovsk Oblast as "his struggle against the 'Russia Is Our Home' bloc," whose candidate was Aleksey Strakhov. Eduard Rossel attempted to avoid giving a direct answer to the question of whether he would use his post as oblast chief in order to obstruct candidates of the Chernomyrdin party in the December elections (although formerly representatives of the "Rossel team" said they were going to "do their utmost" for this purpose). "The father of the Urals Republic" said only that he would back only candidates of the "Transformation of the Fatherland" organization he himself had created, which would not strike up alliances with anybody, let alone "Our Home." The "Transformation of the Fatherland" was set up quite recently on the basis of the Rossel-led "Transformation of the Urals" movement. It should be recalled that the latter "Transformation" did not enjoy particularly high authority with Sverdlovsk democratic organizations and was backed mostly by movements hewing to communist and nationalist lines. Now Eduard Rossel will evidently attempt to draw a part of the regional leaders into this movement, standing for the "autonomy of the regions" as an alternative to "Our Home." Leaders of most Federation components have made it unequivocally clear, however, that as of today they recognize only one "team" and think it unreasonable to throw in their fortunes with anybody else. In addition, republican leaders are unlikely to be enthused by Rossel's calls at yesterday's news conference for the introduction of "a territorial principle of forming Federation components" or the restoration of, for instance, "the Kazan gubernia in place of Tatarstan."

The new governor confirmed that Yekaterinburg residents' fears about the possible start of a new redistribution of property in the oblast are not groundless: He promised "to revise" the results of the already completed privatization in the very near future. Commenting on such intentions of the new oblast "master," Vitaliy Mashkov, presidential representative in the region, expressed his assurance that "this can only bring about a bloody drama."

Perm Deputies Set Gubernatorial Election for 17 Dec

MK2908062595 Moscow SEGODNYA in Russian 26 Aug 95 p 2

[Report by Igor Lobanov from Perm: "The Perm Legislative Assembly Has Decided To Hold a Gubernatorial Election After All. It Will Be Held Concurrently With Electing Deputies to the State Duma"]

[FBIS Translated Text] Perm legislators, at their plenary meeting on 24 August, successfully overrode Governor Boris Kuznetsov's veto, which had been imposed on the law "On the Election of the Perm Oblast Governor," passed by the deputies back in July. The incumbent governor objected mainly to a provision of the law whereby the decision to hold an election would be made by the Legislative Assembly. In his opinion, this is exclusively the president's prerogative.

Having overridden the governor's veto, legislators set the date for the election right away. The overwhelming majority voted for a decision "to deem it expedient" to elect the Perm Oblast governor on 17 December 1995 — concurrently with electing deputies to the State Duma. The deputies believe that such timing is, first, in line with a legal provision whereby the governor is elected for a period of four years (the four-year gubernatorial term of Boris Kuznetsov, who was appointed to this post by the president, expires in December 1995), and, second, that it will save considerable funds for the oblast budget. The experience of neighboring Sverdlovsk Oblast shows that quite a lot of money is at issue here: It took some 13 billion rubles

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

just to hold the first stage of the gubernatorial election in Sverdlovsk Oblast. In order not to engage in direct confrontation with the center and, above all, with the president, however, the Perm deputies decided to send a letter to Boris Yeltsin

Since, according to the law, the date may be set no later than 80 days in advance, the deputies authorized their chairman, Yevgeniy Sapiro, to form a task force and "knock at every door in the Kremlin" so as to receive Boris Yeltsin's reply before 15 September. Predicting Boris Yeltsin's probable refusal, Andrey Klimov, chairman of the Committee for Foreign Economic Relations and Regional Policy, said that he did not exclude the possibility that in this case they would appeal to the Constitutional Court.

Orenburg Political Scene, Players Examined

MM2908095595 Moscow ROSSIYSKIYE VESTI in Russian 25 Aug 95 p 2

[Report by Vyacheslav Moiseyev under the "Political Weather" rubric: "Orenburg Region: Fall Will Be Hot"]

[FBIS Translated Text] The beginning of preelection battles in Orenburg Oblast was signaled mainly by the formation of an oblast branch of the "Russia Is Our Home" [NDR] movement and immediately afterward of the "Revival of Orenburg Region" regional movement.

While everything about the former is clear, it is worth saying a few words about the latter. The initiator of "Revival...." was Oblast Administration Head Vladimir Yelagin with support from a number of public organizations and labor collectives. It is worth noting that, while not intending in principle to join the NDR movement, "Revival...." includes some NDR activists. Specifically, R. Khramov, general director of the "Orenburgneft" Joint-Stock Company, while being chairman of the NDR oblast council is also a member of the "Revival of Orenburg Region" council. Conversely Yelagin is on the NDR coordinating council. In my view there is no contradiction here, because both blocs were in principle set up to accomplish the same mission — to guarantee stability and progress — and are only operating each on its own level.

The first conference of "Revival of Orenburg Region" took place 18 August. The movement's mission was formulated at it: To put forward its own, Orenburg, idea, on the basis of which the oblast will be developed, and to make "Revival of Orenburg Region" an organization in which the authorities and society can unite. Naturally, the oblast movement is being severely criticized by local neocommunists who, without having investigated the matter, are already stating that the "working man" will not support this movement.

The press is not standing on the sidelines of the preelection polemics but is participating in it in different ways. Some are giving pages to political figures at various levels and administrative and economic leaders, who will undoubtedly take part in the elections in one way or another. Others are publishing data from various sociological polls, ratings, and so on. Thus, for example, the YUZHNYY URAL [South Urals] newspaper has pledged to print every month the results of a poll of 30 anonymous experts which will determine the rating of the oblast's main political leaders. In turn the OREN-BURZHYE [Orenburg Region] newspaper, deciding that 30 experts is not too impressive a number and is unlikely to guarantee an accurate picture, has urged its readers to put oblast politicians and leaders in their place. A total of 359 readers determined the rating of 15 leaders, putting Oblast Administration Head Yelagin in first place, Federation Council Deputy P. Gurkalov, general director of the "NOSTA" (Novotroitsk) Joint-Stock Company, the country's biggest metallurgical enterprise, in second place, and State Duma Deputies T. Zlotnikov ("Yabloko") and V. Volkov (Communist Party) in third and fourth place respectively. Thus, readers seemingly confirmed the results of the 1993 Federal Assembly elections — Yelagin is also a Federation Council deputy. At the moment there is hardly any point in estimating some people's chances in the Duma elections in December this year, because nobody has yet, of course, officially announced their candidature.

There are two more preelection questions about which politicians are arguing. The first is the election of the oblast administration head, on which Governor Yelagin himself is insisting, and not for the first year. The second is his proposal to extend the term of the oblast Legislative Assembly's deputies. While on the first question the head's understandable desire can only be supported, which is what most of his friends and foes alike are doing, not everybody agrees to extending the deputies' term. For example, in their appeal to Yelagin local democrats stress that according to the Constitution this step can be taken only by voters after voting "yes" in a referendum. But insofar as one of the main arguments in support of extending the oblast deputies' term was the high cost of holding elections, a referendum is actually equivalent to holding new elections. But one can understand the democrats — they do not have a single seat in the current oblast Legislative Assembly.

In short, as summer draws to an end, especially heated political battles in Orenburg region are hardly to be expected: Peasants are coming to the end of bringing in the harvest, albeit not a big one, most workers are on vacation, albeit an enforced one.... Consequently there is nobody in particular on whom to vent polemical ardor.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

But fall in Orenburg region promises to be a very hot one. In the political sense.

'Russia Is Our Home' Forms Moscow Chapter

MK2908104895 Moscow KOMMERSANT-DAILY in Russian 29 Aug 95 p 1

[Report by Natalya Arkhangelskaya: "Moscow Conference of 'Our Home.' It Is Difficult To Reach Agreement, But One Cannot But Agree"]

[FBIS Translated Text] Moscow has finally joined the happy family of regional chapters of the "Russia Is Our Home" movement. This took place at its constituent conference on Saturday [26 August]. Now "Our Home" has chapters in 83 Federation components and is catching up with the most omnipresent Russian parties — the Agrarians and Communists — in that regard.

For a long time, a quip that was making the rounds among the movement's staffers was that "Our Home" has chapters everywhere except Chechnya and Moscow. Indeed, one gains the impression that the Moscow mayor had been blocking the creation of a Moscow organization for reasons that can only be guessed. He himself did not honor by his presence either the first or second congresses of the movement, which were attended by most heads of administration in Russia. But a place in the "Our Home" leadership was nevertheless reserved for Luzhkov: His first deputy, Vladimir Resin, became a member of the movement's ruling council.

By some accounts (KOMMERSANT-DAILY has already reported this), the mayor, like other local leaders, spelled out his conditions to the chiefs of the movement (who also happen to be government leaders). He had grounds to do so: Without reaching agreement with City Hall, fielding candidates in 15 districts of Moscow would have been risky. Uncertainty regarding the candidacy of the chapter's leader also put the brakes on the formation of a Moscow chapter. According to KOMMERSANT-DAILY's information, Luzhkov wanted to see his predecessor in the mayoral office, Gavriil Popov, in this post. Chernomyrdin allegedly preferred Aleksandr Shokhin. It turned out, however, that Shokhin had somewhat different plans. As for Popov, he will probably be included on the movement's Moscow list. But the Moscow branch of "Our Home" will be headed by Yuriy Borodin, director of the AZLK car plant and a neutral figure.

Some at the movement's executive assert that Yuriy Luzhkov decided to give the "party of power" his backing under the influence of the results of the gubernatorial elections in Sverdlovsk Oblast. Public opinion assessed the outcome of the elections in the oblast as a defeat for "Our Home," but the movement's leadership holds a different view in that regard. The first round was a model for the parliamentary elections. Strakhov came in second, having overtaken six men, including a communist, a Zhirinovskiyite, and so forth. He only lost in the second round, where he was left one on one with the most popular local leader, whom few politicians in Russia can match. Securing a second place in Sverdlovsk Oblast, "Our Home" can well expect to finish first in other oblasts. And this is what success means.

It is unclear whether Luzhkov heeded this or other considerations, but he unequivocally gave the movement his backing at Saturday's conference. The mayor said that "the centrist organizations that strive to make sure that the objective of stabilization in the country is achieved pursue the same goals that are being realized in the city government's practical activity." The prime minister, for his part, highly appreciated the Moscow mayor's support, personally showing up for the conference and delivering a speech, although initially a speech by Soskovets was planned. "Now that Moscow has joined," Chernomyrdin said from the rostrum, "the movement will become more robust and viable." Apart from Borodin, the council of "Our Home's" Moscow chapter includes famous entertainers Yuriy Nikulin and Lyudmila Zykina; members of the Moscow government Bakirov and Kizina; Fedorov, rector of the Moscow Higher Technical University, and others.

Deputy Premier Resin on Moscow Housing, Politics

954F3198A Moscow ARGUMENTY I FAKTY in Russian No. 34, Aug 95 p 3

[Interview with Vladimir Resin, first deputy prime minister of Moscow, by Nikolay Zyatkov; place and date not given: "Who Will Build Our Home?"]

[FBIS Translated Text] Vladimir Resin, first deputy prime minister of Moscow, is well known as the country's most experienced builder. But he has as of late started to appear frequently alongside the top personalities of the state. What is behind this political activity?

[Zyatkov] Vladimir Iosifovich, with whom am I now speaking—a politician or a business leader?

[Resin] With a business leader from the Government of Moscow, of course. With a person who has not spent a single day in political, party work. From 1965 through the present I have built homes.

[Zyatkov] And the fact that you are now part of the Russia Is Our Home movement—is this not a move onto the political path?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Resin] I was for many years a communist, but did not consider myself a politician. Today, joining the movement, I will continue to lead the multi-million detachment of Moscow's construction workers. Gaydar has become a politician today. Zhirinovskiy and Zyuganov are politicians. They live for this.

[Zyatkov] They are professional politicians. But when a movement presents a program, takes part in elections, amasses votes—this is political activity, the purpose of which is to obtain power. And in the event of victory, as is the case throughout the world, the party shares out the portfolios in the government and puts its program into practice.

[Resin] At election time, each of us determines his position and becomes a politician for a time. I support Russia Is Our Home and will vote for its candidates for deputy. In my own work, I will try to reconstitute Russia better.

[Zyatkov] And, as a leader of Kadannikov's AvtoVAZ, you will give money....

[Resin] I cannot say this as regards money, because I am doing the "master's" work, and he is the head of a joint-stock company. And the money that is appropriated for Moscow's construction projects is sacrosanct.

[Zyatkov] Very well. Now a question to you as a professional builder. There are now very many various housing funds. Many of them carry more fraud than actual living area, which is promised people. What do you think, should the ordinary person give money to these offices?

[Resin] Owing to the disarray in the state, structures that are compromising a good idea have appeared. We, for our part, are adopting measures to ensure their disappearance. Another route that the Government of Moscow has taken at this time is the creation of healthy competition. We have issued together with the Inkombank a housing loan certificate. A person with money for only one square meter can purchase it today. Tomorrow he has money for a further square meter, he buys another. After he has purchased the requisite number of these meters, we are required to allocate him within three months an apartment in a new district of Moscow. But if he needs the money that he has spent on these square meters, the person then returns our certificates to us, and we pay him the money, with account being taken of the inflation factor.

[Zyatkov] And will it not be as it often is today: The first ones get what has been promised, but there is not enough for some reason or other for the last: "Prices have gone up," "Out of materials," "Resin has retired"....

[Resin] This cannot happen here because this is not connected either with Resin or other personalities. There are two sure guarantees here: a major state organization—the Government of Moscow—and a strong commercial bank—the Inkombank.

[Zyatkov] You and Luzhkov like to speak proudly about the hundreds of thousands of Muscovites who are acquiring municipal housing. Who are these people? Do you have some register? After all, the waiting list is never-ending, and doubts are arising as to whether in this big figure there might not also be those who have paid cash, who have used their "pull"....

[Resin] Those first on the list, and this means somewhere around 1 million square meters, are getting living quarters free of charge. Of course, it could be that some people who are more pushy and well-to-do have slipped through. But, as a rule, it is the people who have been on the housing list since 1981-1982 who are getting it. Those who can afford to purchase an apartment will not have to wait in line: We are officially selling 2 million out of the 3 million square meters.

[Zyatkov] I have been told that to get to you for a decision on a serious problem, people need to pay up to $100,000.

[Resin] There are no such things with us. Everything is organized in such a way that no one decides on a personal basis. Neither Luzhkov nor myself. The decision is made by a collective body: either the Government of Moscow or a commission. Everything is out in the open, everything is public. One copy of these documents is, as in the old days, sent to the procuracy.

In addition, there is no need to put one's name down anywhere or to solicit anyone in order to get through to me. You simply need to call. If, however, someone has called me and I have been unable to speak with him, my secretary places on my desk a note of his name. And until I speak with him, he is "on the list."

[Zyatkov] Wherever there is a market economy, there is always a struggle for the government contract. It is considered a tasty morsel particularly in construction. Do you feel that a struggle for the government commission is beginning here?

[Resin] This is not the case here yet. First, all the tasty pieces on which the construction workers can make money consist of the private, commercial commission. The municipal commission is with us the cheapest. But it is steady. Today we are even bringing foreign construction workers into Moscow since ours cannot handle the entire volume.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Repairs, reconstruction—yes, there is competition there. But the clients there are not only the Government of Moscow but private firms also.

[Zyatkov] Our readers have many questions concerning a tax on land. Will a rental fee for the land on which an apartment house is built be added in the near future to the charge for the apartment?

[Resin] No.

[Zyatkov] One further surprise piece of news for me. Despite your years, you are fond, they say, of beautiful women.

[Resin] I have always liked interesting women, particularly if they work well also. My wife is a beautiful woman as well. I have friends. And I see nothing wrong with this. Like any man, regardless of age, I am aware of my surroundings.

[Zyatkov] It is said that you used not to wear caps, but that recently you have taken a liking to this headgear. Is this not in imitation of the mayor?

[Resin] The last time I wore a hat was when I was 18. Since then I have worn only caps.

[Zyatkov] The Church of Christ the Savior. So many people on the list for housing. Perhaps it would have been better favoring them with apartments? They could have prayed in the churches that already exist....

[Resin] First, man does not live by bread alone. Second, the housing situation was probably no better in the years when this place of worship was being built. The housing situation was very bad when it was blown up. And who blew it up? Our parents, our grandparents. We all bear full moral responsibility. From whom had we taken this place of worship? From believers, from Orthodox people. The majority of them were not members of the party. We did not ask them when we did this. And we are building the place of worship out of donations and nonbudgetary sources.

And today there would be on this site a garbage dump, or a pool for $50 million would need to be restored. So what is better? A nonbudgetary church or a publicly funded pool in place of 50 homes?

[Zyatkov] If this money does not come from the taxpayers' pocket, it is hard to argue, of course. One observation. As you said, no one asked the people before the demolition of the church, but no one asked whether it needed to be built now either.

[Resin] Yes, they did.

[Zyatkov] Perhaps it would have been better to have built a children's park with attractions or a stadium so that all could avail themselves of this? Why should I now pray for forgiveness of my sins before believers? After all, if we go further along this path, we will have to build a giant mosque, synagogue, Catholic church....

[Resin] This place of worship was a world property. You and I are not believers, Catholics even less. But we visit the Vatican.... My wife is a believer, my mother-in-law was also. My daughter was baptized and observes church festivals. My grandson has been baptized also. We inflicted so many blows on the church in 70 years so that if we are building a Church of Christ, this is no more than a debt that we ought to pay.

[Zyatkov] In the majority of countries, the supply of housing is greater than the demand for it. With us, however much we build, there is no end in sight. Can you, as a specialist, say that we in Russia will ever resolve this problem?

[Resin] A waiting list persists only in Moscow.

[Zyatkov] You are running the risk of malicious letters.

[Resin] I am telling it like it actually is. It is simply that the mayor in Moscow, as distinct from others, has not canceled the waiting list, and each year we shorten it. People are not to blame for the fact that they got onto the list under socialism, but are now living under capitalism. And if we build 3 million square meters and more of housing a year, this problem will, of course, be resolved. But it should be considered that housing becomes physically old and obsolescent. Moscow has 30 million square meters of five-story houses, and 20 million of them demand demolition or reconstruction. And we have embarked intensively on this. Were nothing to be built in Moscow today, it would take seven years to demolish these 20 million and build others in their place.

[Zyatkov] What should ideal housing be like, in your view? What does tomorrow's apartment represent?

[Resin] Ideal housing is that in which a person feels comfortable. The house should be located not far from the job, and it should necessarily have a garage or covered parking nearby. Without such piles of trash at the entrances and with everything that a person needs nearby the house.

[Zyatkov] You have criticized yourself, Vladimir Iosifovich. The majority of these unresolved problems are up to you. You are both the right hand of the mayor and the capital's chief builder.

[Resin] We have now increased the capacity of comprehensive development. Whereas earlier this meant hospitals, clinics, schools, kindergarten, post offices, and stores, today mini-bakeries, mini-breweries, confectionary shops, garages, and parking are included. And

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

we are already building the houses of tomorrow. They will have as standard a guest bathroom and higher ceilings. There are five- and six-room apartments with a large kitchen, loggia, hallway, and storeroom.

[Zyatkov] What do you see as the way out of the situation which has been created in the country? Some say that a strong hand is needed. Others, that we need to unite around the national idea? Yet others say that we need to return to socialism, only clear out its shortcomings.

[Resin] The first thing we need to do is to work, not seek excuses for doing nothing. This is half the battle. The second half is the creation of a real law-based, democratic state. But democracy is not permissiveness, as some people understand it. It is, moreover, iron discipline. Some people think you have only to wish it, and a communist becomes a social democrat. This is delirium.

Nor am I a supporter of the more parties, the more democracy. Half a million people work in the construction complex in Moscow. And no one is separated either on the party principle or a nationality basis here. This is a unified complex, where every day a home is built. I do not even know all my managers, which of them is of what nationality. Which of them is a furious democrat or communist. And they all get along peacefully. So it should be in Russia also.

Chernomyrdin Arrives in Kazan for Celebration

LD2908083195 Moscow ITAR-TASS in English 0809 GMT 29 Aug 95

[By Gennadiy Yezhov and Nikolay Sorokin]

[FBIS Transcribed Text] KAZAN, August 29 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin today was given a hearty welcome to Tatarstan as "the republic's long-standing friend."

Chernomyrdin is in Kazan to attend celebrations of the fifth anniversary of Tatarstan's declaration of its state sovereignty within the Russian Federation. During his one-day visit to Kazan, capital of one of Russia's largest republics, the prime minister will address a festive gathering in Kazan and hold talks with Mintimer Shaymiyev of Tatarstan and a conference with the republic's cabinet of ministers.

The talks will focus on implementation of the agreement on division and delegation of powers between bodies of state authority of the Federation and the republic of Tatarstan.

On Tuesday last week, Russian President Boris Yeltsin and Tatarstan's President Mintimer Shaymiyev praised the agreement signed on February 15, 1994, in their interviews with the press.

Today, President of Tatarstan Mintimer Shaymiyev said in an exclusive interview with Itar-Tass that the celebrations in the republic were taking place against a background of economic achievements. Many farmers have reported the end of this season's harvest, which means that the republic has enough grain for the coming winter and spring. In the industry, production has begun to rise.

"Sovereignty gave us political stability, civil peace and provided the ground for signing a treaty with the Russian Federation. We have proved that the possibility of solving the most complex questions of public life by legal means," the president of Tatarstan stressed.

Chairman of Tatarstan's State Council Vasiliy Likhachev told Itar-Tass that the Declaration of Sovereignty adopted by Tatarstan five years ago was a very important document which helped preserve mutual respect and friendship among the peoples traditionally inhabiting the area at the confluence of the rivers Volga and Kama.

Tatarstan, where representatives of one hundred nationalities live side by side, two state languages are used — Tatar and Russian. The republic has achieved full equality of its nationalities. Tatarstan manages its economy independently. As a result, it has overcome the production slump and is now witnessing a rise in production. Despite the drought, the republic has sufficient supplies of grain and animal products, Likhachev said.

Tatarstan cooperates with 70 countries, it has established 150 joint enterprises with foreign firms. The republic was the first to sign an agreement with Russia on mutual delegation of powers and to create a model of peaceful, equitable, business relations between a region and the centre, Likhachev said.

He said Tatarstan's experience is now being thoroughly studied by those who are busy settling conflicts between Russia and Chechnya, Ukraine and Crimea, Georgia and Abkhazia, Moldavia and the Dniester area. Interest in Tatarstan's experience has been shown in Canada, Israel and Palestine, Likhachev said.

He said the next five years will become a period of a new rise in the economy and culture, and of stronger business relations with all regions of Russia and Commonwealth member-countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Tatarstan Parties Prepare for Elections

954F3189A Kazan IZVESTIYA TATARSTANA in Russian 22 Aug 95 p 1

[Article by Galina Grigorenko: "All Roads Lead to Moscow"]

[FBIS Translated Text] Election passions, which are really on the boil in the capital, have yet to cross over into the heartland. Local politicians are gradually being pulled into an election campaign mode and are operating in accordance with "directives" received from the central party authorities. Some have already attended congresses of their political organizations, at which the election platform has been made public and the lucky ones who will occupy the prestigious spots on the cherished central and regional slates have been determined. Others are as yet only planning to meet with their ideological associates in order to finally work up the strategy and tactics of the election struggle.

As Alla Gabutdinova, chairman of the Tatarstan organization of the Russia Is Our Home all-Russia movement, announced, the break in the work of the congress will be used to study the political program and to determine the candidates who will run in electoral districts in Tatarstan. It will be necessary, by all accounts, to really cudgel brains over the choice of future candidates, since Our Home is finding its feet with enviable efficiency. Eighteen branches have already been formed in rayons of the republic, and more than 1,200 individual members have been registered. Only the Tatar branch of Shakhray's PRES [Party of Russian Unity and Accord], which is not "mixed up" in any party get-together, is a collective member as yet.

Our Home activists are counting on one place on the federal slate, which, as we know, has to include only 12 persons. In the opinion of leaders of the local organization, the more Tatar representatives of Our Home there are in the State Duma, the greater the chances of the adoption of a program in which our republic is interested.

Robert Sadykov, secretary of the republic committee of the Communist Party of the Republic of Tatarstan for ideology, announced that the communists of Tatarstan were basically analyzing the political situation both in the region and in Russia. It was decided at the last Communist Party of the Republic of Tatarstan plenum to collect signatures in support of Gennadiy Zyuganov's Communist Party of the Russian Federation and the bloc formed by the leaders of the Russian Communist Workers Party, Working Russia, and the SKIP [Union of Communist Parties]-CPSU.

If these political organizations are successful at the elections, places on the regional slates will "shine" for party members from Tatarstan. In addition, the Agrarian Party also is making tempting offers, hinting that assistance at the time of the election campaign could result in closer cooperation in the faction of the new parliament. As far as participation in the elections in single-mandate constituencies is concerned, it is planned to "throw in" one communist in each of them: The like-minded should not be banging heads on the same territory and taking votes from one another.

The regional slate of the Tatar branch of Russia's Democratic Choice was brought fully up to strength at a conference held recently. Based on the results of a ballot, the trio of leaders will be composed of democrats with a radical outlook: Valentine Mikhaylov, Damir Galyautdinov, and Aleksandr Shtanin, who have been supporters of the ideas of Yegor Gaydar for several years and who are not about to change their views for any others.

The local organization of the all-Russia Yabloko association has still to make up its mind as regards the candidates who might lay claim to the top places on the regional slate. There is no hurry, since the congress of Grigoriy Yavlinskiy's sympathizers will be held from 1 through 3 September, and six representatives of Tatarstan will be delegates.

Of course, each politician from the periphery places big hopes in "his" party being the one to muster the largest number of votes at the coming elections and the regional organizations not being overlooked here either. But don't count on help from elsewhere! Remembering the sorry lessons of the previous elections, the leaders of democratically oriented parties and movements have decided to "take out extra insurance" against possible manipulations on the part of the authorities. Specifically, the Equality and Legality Council put to Russia's Central Electoral Commission the following suggestion: Include on the local Central Electoral Commission Lyudmila Oreshnikova, a member of the council of the Yabloko organization in Tatarstan, and Ildus Sultanov, chairman of the executive committee of the Equality and Legality election bloc. The "introduction" of these candidates would hardly gladden our united Central Electoral Commission. But it would clearly do the election campaign as a whole no harm.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kabardino-Balkaria Economic Performance Evaluated

954F3175A Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 18 Aug 95 p 1

[Article by unidentified correspondent: "Meeting of the Cabinet of Ministers (Government of the KBR)"]

[FBIS Translated Text] A meeting of the Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic was held yesterday.

The results of the work of the economy of the Kabardino-Balkar Republic in the first half of 1995 and a forecast of its development to the end of this year were discussed.

It was noted that the implementation of economic reorganizations, whose strategy and tactics were established by the Message of the President of the Kabardino-Balkar Republic to the Parliament of the KBR [Kabardino-Balkar Republic] for 1995, was continued in the first six months of 1995.

An analysis of the changes in the economy indicates an intensification of positive trends in the macroeconomic situation. Zones of growth are being formed that provide the preconditions for a subsequent rise in the economy. In industry the volume of production increased by a factor of 1.5 compared with the level in the corresponding period last year, and the production of the nonferrous metallurgical, light, timber, and wood processing industries grew at faster rates.

In the agro-industrial complex, the sowing of spring crops was conducted in a timely way. Grain and leguminous crops were mowed on an area of 94,400 hectares. Some 306,500 tonnes of grain were gathered, which is 29 percent more than last year.

The trend in the stabilization of the consumer market is continuing.

At the same time, despite the measures being undertaken by the leadership of the republic, the social processes are characterized by a continuing trend in the growth of unemployment, a lag in the real monetary incomes of the population behind rates of inflation, and a decrease in the standard of living of the people.

In a decree that was adopted, the Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic committed the deputies of the prime minister, the directors of ministries and departments, and the heads of administrations of cities and rayons, guided by the Message of the President of the Kabardino-Balkar Republic to the Parliament of the KBR for 1995, to implement the necessary measures to further increase volumes of production, revive investment activity, reinforce financial discipline, increase the standard of living of the population, and strengthen law and order in the republic.

The Government of the KBR considered the question of building the settlement of Laship in Cheremskiy Rayon.

The Government of the Republic examined the status and measures for maintaining the land improvement network that is on the balance sheets of the agricultural enterprises of the KBR.

The irrigation chutes, pumping stations, moving sprinkler units [fregatnyye ustanovki], and other equipment are not being used satisfactorily on many farms that appear on the balance sheets of agricultural enterprises. There are cases of dismantling and use of land reclamation equipment for other than specified purposes. In the last four years, a total of 380 hectares of newly irrigated land was put into operation instead of the planned 1,800 hectares, and 1,550 hectares were regenerated instead of the planned 4,500 hectares.

About 40,000 hectares of irrigated lands introduced up to the 1970's require the conduct of complex regeneration.

For the purpose of stabilizing the maintenance of the irrigation system and increasing the return on land improvement the Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic directed the Ministry of Agriculture and Foodstuffs of the KBR and the heads of administration of the rayons to forbid agriculture enterprises from disassembling irrigation chutes, covered irrigation networks and the DM "Fregat" moving sprinkler system without the knowledge of the Ministry of Agriculture and Foodstuffs of the KBR and the Kabalkvodkhoz Association.

The Government of the KBR requests the Ministry of Agriculture and Foodstuffs of the Russian Federation to allocate capital investments to complete facilities started in the comprehensive regeneration of irrigated lands in the sum of 14.6 billion rubles [R], including for the year 1995—R2.7 million, and for 1996—R11.9 billion.

Additional measures for the support of the Union of Writers of the KBR were considered.

The question on the implementation of the Russian National Telephone presidential program was considered.

In fulfillment of the Edict of the President of the Russian Federation of 11 January 1995 No. 31, concerning the implementation of the Russian National Telephone presidential program, the Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic approved the Russian National Telephone program presented by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Kabbalktelekom AOOT [open type joint-stock company].

Instructions were issued to the Kabbalktelekom AOOT and to the Ministry of Finance of the KBR.

The Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic approved the Statute on the Ministry of Social Protection of the Population of the Kabardino-Balkar Republic.

The Cabinet of Ministers (the Government) of the Kabardino-Balkar Republic established an Honorary Award of the Government of the Kabardino-Balkar Republic and ratified a statute on it.

The Government of the KBR approved a proposal of the Ministry of Foreign Affairs of the KBR concerning the compulsory application of norms of protocol practice by the ministries and departments of the KBR for receiving official delegations in the Kabardino-Balkar Republic.

The following took part in the work of the meeting of the Cabinet of Ministers (the Government) of the KBR: Yu.Kh. Mairov, chairman of the Constitutional Court of the KBR; Yu.M. Ketov, secretary of the Security Council of the KBR, and A.M. Uyanayeva, adviser to the president of the KBR.

The meeting was conducted by Georgiy Mashtayevich Cherkesov, prime minister of the Kabardino-Balkar Republic.

Economic Issues

Livshits Comments on 'Currency Band' Extension

MM2808120895 Moscow ROSSIYSKIYE VESTI in Russian 26 Aug 95 pp 1, 4

[Article by Aleksandr Livshits: "Aleksandr Livshits: Decision To Extend Currency Band"]

[FBIS Translated Text] As you know, the government is now pursuing a tough financial and monetary-credit policy. Otherwise its plans to stabilize the economy and reduce the budget deficit will remain unrealized. You cannot continually spend more than you earn. You have to stop at some point.

In these conditions the ruble-dollar exchange rate has behaved unpredictably: First it began to soar, then it dipped regardless of the inflation rate, putting enterprises with long-term contracts with foreign partners in an extremely difficult position. Yet these enterprises are the economy's mainstay and hope of stabilization.

That is why the Russian Federation Government and the Central Bank of Russia [CBR] decided as an interim measure to establish from 5 July through 1 October 1995 a currency band restricting fluctuations in the dollar exchange rate to a band of 4,300-4,900 rubles to the dollar. It is impossible to dictate to the market, but sensible regulation of market processes is feasible. This truism has been borne out today by the experience of the currency band. The CBR had strength enough to keep the volatile exchange rate within the planned limits. No market component has seriously encroached on the upper or lower limits. There were plenty of pluses in favor of the introduction of the banding. For instance, there has been a dramatic reduction in interbank currency trading. Whereas previously around $1 billion were bought and sold in a week, now the figure is barely $300-400 million. This means that huge financial resources have left the financial speculation market, which has ceased to bring in the former profits. Where have they gone? There is one option — to turn them into investments and serve the cause of renewing national production.

I am often asked: What will happen after 1 October? That is a reasonable question. The experience of the last few years has shown that all manner of trouble like "Black Tuesday" and suchlike usually starts in the fall. In order to avoid the traditional fall turmoil in the financial system the Russian Federation Government and the CBR have decided to extend the term of the currency band through 31 December this year within the same limits. Society will already be overheated by the election battles, therefore it must at least be protected against economic upheaval. One must try to enshrine the tendency for inflation to fall in the summer — from May's 7.9 percent to July's 5.4 percent (it will be lower still in August according to the experts). Last year this opportunity was hopelessly missed. The mistake must not be repeated.

Regrettably, the currency band has minuses as well as pluses. This fact has also emerged very plainly. To avoid the negative aspects gaining momentum the Russian Federation Government intends to adopt a number of decrees in the very near future to ease the acuteness of this problem. At the same time I would like to make the following point. There is a certain section of the market in our country which feels at home in a situation with fairly high inflation where the national currency is depreciating. The country's leadership has no intention of pandering to it. Today everyone can see that the move away from a planned economy to a market economy has proved even less painful than the move from freak, primeval market relations to civilized relations. But there is no way back. And those who had superincomes amid high inflation must seek other means of getting rich that are more productive for all society.

Today there is full justification for saying that there will be no "Black Tuesday's" this year. The CBR

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

has sufficient currency reserves to prevent such a turn of events. What is more, the Russian Federation Government and the CBR are able to take their own steps to back the activity of commercial banks, which are now experiencing considerable difficulties due to the crisis in the payment system. The relevant decisions will be published in the near future.

Daily Views Impact of Extension

MM2908092695 Moscow IZVESTIYA in Russian 26 Aug 95 p 2

[Report by Ivan Zhagel: "Not Everybody Will Cope With Prolonged 'Currency Band'"]

[FBIS Translated Text] The decision by the government and the Central Bank of Russia to prolong the operation of the "currency band" from 1 October to 31 December came as a surprise. Even though, when the "band" was introduced at the beginning of July, many specialists and politicians stated that it would be sensible to indicate the prospect on the currency market at least a month before the end of the innovation's first stage. Which, in actual fact, was done.

Therefore it is now more advisable to discuss not the fact that the "currency band" has been retained but the soundness of its framework and range. Because this directly determines the general state of the Russian economy's two most important sectors — the banking system and enterprises which deliver their products abroad.

It is no secret that the strengthening of the ruble exchange rate accompanied by persisting inflation has put exporters in a difficult position. Their income is decreasing but expenditure has risen sharply because of the increase in prices for the materials they use, bought-in components, and equipment. But Aleksandr Potemkin, one of the elaborators of the ideology behind the "currency band" and director of the Central Bank's Foreign Transactions Department, stated in an interview with IZVESTIYA that the innovation had not complicated life but made it easier for exporters, who now have some kind of guidelines.

He also noted that, when the decision to prolong the operation of the "band" was being prepared, they analyzed how this would affect the state of export sectors. The analysis covered approximately 60 percent of the range of goods, and the results were optimistic. On the other hand he admitted that the country's foreign trade balance might decrease, although it will remain positive.

It could also be concluded from the interview with Potemkin that the government and Central Bank are treating exporters' complaints rather skeptically, since most of them have vast reserves in the form of cutting their expenditure.

As regards banks, in fact they too could be put in a difficult position by the prolongation of the operation of the "currency band." But, in the opinion of Igor Doronin, adviser to the Moscow Foreign Currency Exchange, cause and effect are often confused in this question. The banking system crisis comes first. Having gotten into a difficult position, banks are starting to look for reserves, including by selling foreign currency, which is leading to the unusual strengthening of the ruble.

Another specialist who asked not to be named described the situation very graphically: "If the strengthening of the ruble looks like a high color on our economy's cheeks, it cannot be ruled out that this is a feverish reddening." On the other hand, in actual fact the banking system crisis did not appear today, at the moment the "band' was prolonged, but rather several months ago. But it has now reached its peak.

I telephoned around several major banks including the Russian Federation Savings Bank, Inkombank, and Menatep, and everywhere I generally heard something obvious: We have stopped giving money to small banks, since most of them are on the verge of collapse, and we are working mainly among ourselves. Of course, the ruble's stability has to some extent pushed these small banks toward the abyss, because many of them have made money from currency speculation. But the main reason is unprofessionalism and the squandering of credit resources.

What could the solution to this situation be? The simplest one is once again to set in motion the flywheel which increases the dollar rate and start issuing cheap centralized credits. This will help banks but not the economy. If they are to survive, banks will have to learn to work in a new way, or the insolvent ones among them will simply go to the wall. Obviously the Russian banking system has undergone a period of extensive growth and now it needs qualitative changes.

In this context the viewpoint of Sergey Boboshko, chairman of the Chase Manhattan Bank's Moscow branch, is interesting. He has expressed the opinion that the prolongation of the operation of the "currency band" can be regarded unequivocally as something positive, but that it will affect the economy not tomorrow and not in a month but after a longer period of time. In addition, Boboshko noted that the stabilization of the ruble rate is an instrument of recovery but it must be backed up by other measures, including strengthening the budget and creating the conditions for investment activity.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Duma's Glazyev Calls Policy 'Murderous'

MM2908132095 Moscow PRAVDA in Russian 29 Aug 95 p 1

[Unattributed report from correspondents' roundup column: "S. Glazyev: 'Corridor into Depression...'"]

[FBIS Translated Text] At a briefing for journalists Sergey Glazyev, chairman of the State Duma Committee for Economic Policy, stated that "the extension of the period of action of the currency rate band introduced earlier... is leading to a further deepening of the economic depression. The ruble exchange rate has increased by comparison with its internal purchasing power, and as a result the competitiveness of goods has fallen by one-third over the past two months. For the first time in three centuries the export of timber has become unprofitable." Glazyev expressed the opinion that "the extension of the period of action of the currency band until the end of the year will trigger a 20-30 percent fall in the competitiveness of Russian goods, cause a slowdown in the export of metallurgical output and a lowering of import prices, and place Russian enterprises on the brink of ruin. The decisions of the government and the Central Bank are murderous for Russian industry, but they are profitable for importers of foreign products and meet the interests of foreign capital."

Government 'Interest' in Bank Crisis Hinted

MM2808130995 Moscow IZVESTIYA in Russian 26 Aug 95 p 1

[Report by Mikhail Berger: "Russia Could Be Left Without Banks, and Russians Without Money"]

[FBIS Translated Text] What had been predicted by many people over the past few months has come to pass — even though many did not believe it or did not want to believe it. Many banks are facing failure. The interbank credit market, in which the banks provide money for each other or borrow from each other, is comatose — in other words, hanging between life and death.

On Thursday only a few banks were continuing to operate on the interbank market, and on Friday, when this commentary was being prepared, the market could simply have died. This means that commercial banks are already failing or have already collapsed (and not just the smaller and medium-sized banks either). And the number of banks which are candidates for failure cannot yet be estimated.

Most bankers are convinced that only emergency rescue measures from the Central Bank and the government can save the situation. It is a question of days and hours. Thursday evening, the leaders of certain major banks met with First Vice Premier Anatoliy Chubays to try to convince him of the need to adopt urgent rescue measures. The details of those talks are unknown.

On Friday morning Viktor Chernomyrdin held an emergency conference with the participation of the Central Bank and representatives of the major banks. The subject of the conference was the same — the crisis in the banking system. Anatoliy Chubays announced at a press conference after the conference that the government is taking urgent measures to normalize the situation. It has also been decided to set up a working commission with the participation of the Central Bank and the commercial banks to work out a range of medium-term measures.

The panic that has prevailed in the interbank market is due to the fact that the banks which have failed to meet their commitments include top-ten banks. Dealers are circulating an alphabetical list of 40 banks which failed to meet their commitments 25 August. This list, in alphabetical order from A to Z, includes nationally known banks. Admittedly, being on the list does not necessarily mean that a bank has failed, but the fact that it has been affected by the crisis (otherwise it would not have risked its reputation by failing to meet commitments) is obvious. The first doubts about solvency are very similar to the joke about the first signs of poisoning. The first sign is when the corpse turns blue.

In the opinion of experts, one in every two major Moscow banks (if not more) has failed to meet its commitments. The total of unmet commitments currently stands at 1.5 trillion rubles. Those which have been failing to meet their commitments stably of late include "Lefortovskiy," the "Mezhregionbank," and many others.

Today it is easier to name the banks which are still solvent and meeting their commitments. Different leaders have mentioned different banks in this respect, but most often people agree that "TOKObank," the Foreign Trade Bank of Russia, "Oneksimbank," "MFK," "Alfa-bank," "Promradtekhbank," and "Stolichnyy" are still sound. Naturally, this is not a full list.

Some people are probably indulging in some malicious glee — it serves the banks right, it will teach them to speculate and make a fortune.... But it cannot be ruled out that, when such spiteful people go to their plant cash office to pick up their wages, there will be no money available.

Currently most observers agree that there are two main scenarios for events to follow. The first — the worse — would be for the Central Bank and the government to passively watch the crisis develop or not make enough

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of an effort to salvage the situation. Customers would very soon be lining up outside the banks demanding their money back. The banks would be deprived of their funds and would be unable to meet their clients' instructions, including payments to the budget. The state would lose tax receipts and the authorities would simply cease to exist. Compared to this scenario any outcome in the elections (if we do get around to them in this situation) would seem like a trivial event.

The second scenario presupposes, if not a favorable solution to the crisis, at least an easing of it. To this end the government and the Central Bank must take emergency rescue measures. This is all the more correct, Mikhail Delyagin, a staffer at the president's Analysis Center, believes, because one of the causes of the crisis is the money owed by the budget. Nonetheless, certain high-ranking officials believe that what is happening will merely make the banking system healthier. In Delyagin's view, that might have been right last Monday, but it was dubious on Tuesday, and it had become a complete delusion by Thursday.

Aleksandr Savelyev, a representative of the "Delovaya Rossiya" Bank, does not rule out the possibility that the government has an interest in bringing about a crisis that would help to drive down the value of domestic debt as a result. The cornered banks would be forced into massive sales of state short-term bonds. As a result, their price would fall sharply and they could be bought up on the cheap.

But if the authorities nonetheless do not intend to destroy the commercial banks, then, in the opinion of the bankers themselves, it is necessary to make use of at least some of the commercial banks' reserves held at the Central Bank. Moreover, the government should as a priority pay off the budget money it owes to enterprises that owe money to failed banks — such as "Mezhregionbank," for instance. And, moreover, the Central Bank could support the banks by granting them short-term loans secured against state short-term bonds or the assets of the banks themselves.

So far we cannot conclude from the statements made by officials that the authorities have heeded the banking community's proposals.

New Club of 'Most Reliable' Banks To Be Set Up

LD2808171895 Moscow ITAR-TASS in English 1602 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, August 28 (ITAR-TASS) — Russia's biggest banks, including Sberbank (Savings Bank) of the Russian Federation, Vneshtorgbank (the bank for foreign trade), Incombank, Bank Imperial and Mosbiznesbank have signed an agreement designed to restore the country's interbank market.

Sources in the banks told ITAR-TASS other first-class banks are now negotiating membership in the new club.

As the first step in their joint activity, participants in the agreement renew, on a mutually agreed basis, the operation of deposit and conversion lines. Interbank operations will soon resume after the participants make sure that the risk of default has been reduced to the minimum in relations between participants in deals. This is for this reason that the number of participants in the club is limited to the most reliable banks.

Daily Examines Impact of Law on Minimum Wage

MM2508150395 Moscow ROSSIYSKIYE VESTI in Russian 23 Aug 95 p 1

[Article by Lyudmila Biryukova: "Budget-Funded Workers Await Wage Supplement"]

[FBIS Translated Text] The revival of the Russian economy has begun — this is a fact recognized by all experts, even opposition experts. At the same time citizens' living standards continue to fall. Almost two-thirds of Russians have below-average incomes.

Of course, wages are increasing and every working person appreciates this. But prices are rising faster. People have started putting by less and buying less foreign currency. In the first seven months of this year, the average per capita money income for the 20 percent of the population with the highest income totaled 997,000 rubles [R] per month, whereas for the 20 percent with the lowest income it was no more than R133,000. For comparison purposes: The Russian Federation Labor Ministry has set the subsistence minimum at R277,400.

But now there is hope that the fall in real incomes will stop: The Law On Increasing the Minimum Wage came into force 1 August. Henceforth the minimum wage will be R55,000 and not R43,700, as it was before the law was passed. For the first time during the reforms the increase in wages has outstripped the increase in prices. Not by much, but it is still better than the previous chronic gap: While wages have leapt 25.9 percent, prices have leapt less than 25 percent.

You would be lucky to find anybody who receives R55,000 a month. Nevertheless the new law will affect virtually everybody who works and will do them a good turn. What kind of good turn exactly? Above all, it was on the basis of this law that the Russian Federation Government adopted a decree increasing pay rates for workers in the budget sphere. From 1 September they will go up 54 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

As regards self-managing components of the economy, they are to voluntarily and autonomously set wages depending on the results of their activity and are entitled to spend any proportion of profits on consumption. But there are two restrictions: A hired worker cannot be paid less than R55,000. The state is also regulating the ceiling on labor payment funds. The minimum wage indicator is being used as an instrument here. The state sets the standard size of the wages fund, equal to six times the minimum wage multiplied by the number of employees. Any increase in this sum is subject to taxation. Naturally, since 1 August there has been a certain easing of this tax. There is the hope that enterprises will now conceal less income from taxation and will camouflage less of their workers' wages as sundry social payments — for travel on public transport, catering, or material assistance.

Finally, every wage increase, even a small one, is accompanied by an inevitable surge of demand for goods and services, which stimulates the development of industrial production, agriculture, and consumer services. In short, any increase in citizens' purchasing power has a beneficial effect on the country's economy.

Duma's Bunich on Banking Sector Stability

954F31995 Moscow ARGUMENTY I FAKTY in Russian No. 34, Aug 95 p 2

[Article by Pavel Bunich, deputy chairman of the Committee of the State Duma of the Russian Federation on Property, Privatization, and Economic Activity: "Are Our Banks Reliable?"]

[FBIS Translated Text] The wave of bankruptcies of such banks as Goblet, Mountainous Altay, and Northern Trade Bank, etc., has hit many depositors. There is talk that the turn will also come to stronger banks this autumn. The depositors, and there are also many of them among the readers of ARGUMENTY I FAKTY, are on the verge of panic.

Reasons for the Bankruptcies

The first and main one is that our country has far more banks (2,500) than there are in all of the civilized countries taken together. And at the same time there are few banking specialists, but banking activity is the "higher mathematics" of an economy in which amateurs cannot do much.

The second reason is the bank racket, when under the threat of physical reprisals, permanent loans are extorted, or the banks are forced to make payoffs to racketeers.

The third reason is that bankruptcies take place most frequently of all at the desire of banks whose prosaic purpose is to rob the depositors. Or to evade taxes, or to reduce accounts to "zero" (the absence of resources in accounts)—and there are no taxes. Some strong banks that are establishing satellite banks are succeeding in this. These collect large resources and either give them out as nonreturnable credits, or they flee with the stolen capital abroad and there turn it over to the real bosses. The payment by banks of false letters of advice (like the Chechen R36 billion [rubles]), for which bankers received huge bribes, should be considered a variety of fraudulent bankruptcy.

How Is It in the West?

So that the prices of shares of stock of banks not be lowered artificially, a number of developed countries conduct a "test" sale of the first block of shares of stock on the free market. This makes it possible to determine its real value. Further, if a bank foresees its inevitable ruin, it is obligated to report this in order not to damage partners in accordance with the "domino" effect. Moreover, compulsory deposit insurance is in effect up to a specific guaranteed sum and voluntary insurance over and above this sum. There are many other things that deter banks from underhand practices. But if everything together, nonetheless, does not deter, then founders, large stockholders, and dishonest auditors end up in court in due course.

And in Our Country?

At first we allowed banks free sailing. And only after there were catastrophic blows to the pockets of investors and fabulous profits for swindlers were appropriate laws and normative acts adopted.

— Now banks that want to have dealings with people's money need a two-year probationary period of banking operations. Banks must regularly, no less frequently than once a quarter, compile reports on their activity and also on the deposits of physical persons. It has been determined that the sum of deposits must be no greater than the sums of assets, so that in the event that it is necessary the assets could be sold and shared.

— Banks are now ordered to establish reserves for risky loans and risky securities. Their mandatory allocations to the Central Bank have been increased. In the event of the failure of commercial banks, these allocations partly pay off their debts to depositors.

— Responsibility for premeditated and fictitious bankruptcy now appears in the new Criminal Code.

— Norms have been introduced for loans to one borrower, and for the total portion of all large borrowers.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

— Limits have been established to the "excesses" of founders and stockholders who are attempting to use the collected capital for themselves under exclusively advantageous conditions. The Central Bank is obliged to monitor the emergence of owners of large blocks of stocks. Joint-stock companies in bankruptcies are prohibited from repaying debts in a privileged procedure to "their own" people and undermining the position of small stockholders.

— So that they do not lose their share of capital, old stockholders are granted the right "of the first night" with respect to buying up new shares of stock.

"Our Own" Mistakes

Unfortunately, documents do not establish that the deposits of the people are paid off first and not last, as is now the case in bank bankruptcies.

Strict responsibility should be introduced, right up to criminal responsibility, for the bankruptcies of banks on the part of the founders and other persons guilty in this. There is a pressing need to increase the role of the Central Bank, so that its representatives conduct audit inspections. The search for and discovery of all of the capital that has "disappeared" with the help of Interpol is also feasible.

....If such measures were implemented, then the resources of the people would not be lost, but would multiply in accordance with the intentions of the banks. In a word, the wolves would be full and the sheep would be safe. But the necessary measures were late, or they did not take place at all. Obviously, not without design. Evidently, troubled waters are necessary not only to the appropriate "lords" of business, but also to the appropriate "lords" of the regime.

Will There Be a Collapse?

In my opinion, a runaway bankruptcy of the banks in the near future is not to be expected. This would cause a credit-settlement crisis. But the concentration of bank capital is inevitable.

Government Blamed for Imminent Agricultural Crisis

954F3093A Moscow SOVETSKAYA ROSSIYA in Russian 12 Aug 95 pp 1-2

[Article by Vasiliy Starodubtsev: "The Summer of Our Misfortune. An Unhappy Prognosis of the Harvest of 95: Russia Will Only Have Half as Much Grain as It Needs To Survive"]

[FBIS Translated Text] It is bitter and sad to look at the politician's fussing over the upcoming elections. They swarm and huddle together, make deals, come out with political declarations, prepare to spend a pile of money for their campaign.... They still hope to fool the people again. They don't seem to have a clue that the people they have fooled so often are waiting for them this time; they act as if they are not to blame for our coming misfortune. They. Those who have been at the helm of Russian power for four years. They have plenty of blood, suffering, and senseless victims on their hands. Mountains of lies. As a professional agrarian, I'm warning them that the country is in for a famine. And no one is thinking how to overcome it, how to save people. Why? Wasn't that the reason why the "reforms" were concocted and pushed through with an iron hand? Wasn't that the reason for the systematic destruction of agriculture with all its structures, its social sphere, and methods of operation which had largely proved their worth? It would take either complete idiots or deliberate evil-doers not to foresee the consequences which have been so much talked about.

What prompts me to make such serious statements? Nothing but facts. Let's take a look at some facts.

Probably many people have noticed how vaguely and skimpily the media, especially television, have discussed the harvest season in Russia, and the fact that 30 grain regions suffered from severe drought. But why speak of it, anyway? Aren't the people naturally going to inquire what the government is going to do to avoid the consequences of crop failure, the magnitude of which is concealed from the people? But no—all the people are shown is how the government is pupating into pre-election blocs.

Meanwhile, the situation is becoming catastrophic. In order to feed the people properly, according to accepted norms, a tonne of grain has to be harvested for every inhabitant. Of course no one actually eats a tonne a year in the form of bread or pasta. But that is the amount necessary to produce the normal level of livestock product. People consume a tonne of grain in the form of meat, milk, and eggs. Hence, Russia needs to harvest at least 148 million tonnes of grain for 148 million population.

What do we actually have? In fact, harvest yields this year set a "record": nine quintals per hectare—less even than last year's (which did not produce high yields), namely only 14.8 quintals as of 7 August. Considering that during the years of "democracy" Russia's plowed land has shrunk like rawhide—by almost two million hectares—at best this year we will harvest 55 to 80 million tonnes of grain, which is less than half of what we need.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

What will we eat? How will we live? Will the Western producer give us a hand? He will, of course, but for his own sake not ours. It's as if our foreign trade departments have long since lacked anyone who knows how to trade and make deals with importers for our benefit instead of theirs.

Here, for example, is what the Western producer is giving us. According to the RF Committee on Trade's Gostorginspektsiya, imported goods in 1994 had the following reject percentages: sausage products—58.7; animal fat—50.6; canned meat—56.8; canned milk—84.8; eggs—100 percent; baby food (!)—81.2 percent. That's what the Western producer is fobbing off on us. But not everything is even being checked. The statistical yearbook even adds this proviso: volumes of officially registered imports. Hence, there are unofficial imports—that is, unchecked.

Let me remind readers that the norms stipulated by the Food Program in 1990 (it seems strange now to recall that there once was such a program) were met by 100 percent per capita with respect to meat and sugar, 99 percent with respect to eggs, 71 percent for vegetables, 92 percent for bread and baked goods, and the consumption of milk and dairy products exceeded the norm by 7.2 percent. In terms of the consumption of basic food products, Russia used to be among the world's top ten countries. Now Russia has dropped to 36th place. And forecasts show that this is not the limit.

After just four years, by 1994, 25 percent of Russians couldn't feed themselves; for 45 percent of the population, their earnings are enough only for food. It's not surprising. The stores are loaded with poison goods in pretty packaging at insane prices, but there's nothing to buy. "The shelves hold plenty, but the stomach's empty," as the saying goes. The Russian Academy of Sciences has this tragic forecast: by late 1995, 75 million inhabitants of Russia will go hungry. That's more than half the country's population! It's easy to guess which ones will make up that half, and which ones will escape that national disaster.

The commercial outfits that have allegedly taken on the task of supplying Russia with imports don't always try to bring things in that are needed. The very nature of today's businessmen is that their main goal is to get rich, nevermind at whose expense. And it is always at the people's expense. There is no other source of wealth. Central Bank Acting Chairman Tatyana Paramonova said recently at a press conference that the illegal capital drain through fictitious contracts for imports from abroad monthly averages about 300 to 400 million dollars.

Hence, we alone can feed ourselves. But we can't do it unless Russia's grain belt really produces. But think about where the wind comes from. Is the drought alone the reason for low crop yields and the future food disaster? After all, we used to have bad crop years before. What we have now is a drastic regress in grain production. Areas sown in grain have been reduced by 14.4 percent. It all seems rather suspicious to me.

Consider these facts. Every year it is getting harder to obtain credit from the IMF. This international financial octopus always dictates its own terms, interferes in economies and imposes conditions.

Not only that but we get recommendations which produce nothing but harm. Thus, IMF Permanent Chairman Zhan Foglizzo [name transliterated] looked at Russia's agrarian sector and found many ways to improve it by curtailing grain production. "There are many much more profitable agricultural crops than grain. So why concentrate state support on unprofitable production?"—said that gentleman in puzzlement in the Russian press back in 1993. And it looks like the Yeltsin-Chernomyrdin government agreed with him completely.

So we are on the verge of famine. The way we got to that point is a topic for the next article.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

International Affairs

Ambassador to Uzbekistan Assails Yeltsin's 'Perfidy'

MK2908063095 Moscow KOMMERSANT-DAILY in Russian 26 Aug 95 p 3

[Unattributed report: "Ukraine's Ambassador to Uzbekistan Exposes Yeltsin's Perfidy"]

[FBIS Translated Text] Annually, 25 billion cubic meters of gas is pumped from the Central Asian states to Ukraine via Russia's territory. And because "the tap is on Russian territory, Yeltsin, perfidiously, thought that we would come crawling on our knees, but it did not happen." This was stated by Vladimir Smetanin, Ukraine's ambassador to Uzbekistan. "Russia's economic pressure on our people is diminishing," he said, blaming the critical situation on Yegor Gaydar, who "forced us into shock therapy." On the issue of Crimea, the ambassador observed: "They say that Khrushchev gave us Crimea as a gift, but this is historically Ukrainian soil, which the Ukrainians conquered in their time. Moreover, a map of Kievan Rus shows that Moscow, too, was historically part of Ukraine and that Ukrainian land extended beyond the Volga."

Ministries Begin Implementation of Black Sea Accord

WS2808115595 Kiev INTELNEWS in English 2259 GMT 27 Aug 95

[FBIS Transcribed Text] Simferopol, Aug 26 — The Ukrainian and Russian defense ministries on Saturday [26 August] began work on implementing details of the Sochi Black Sea Fleet agreement signed between Ukrainian President Leonid Kuchma and Russian President Boris Yeltsin in June.

The first session of working committees of [as received] was held in one of the Black Sea Fleet 126 Coast Defense Division units. The Ukrainian committee was headed by Lt. Gen. Serhiy Chernylevskiy, Odessa Military District deputy commander. The Russian side was headed by Maj. Gen. Vladimir Tarasov, Russian Navy Coastal Troops Headquarters commander. Chernylevskiy said that "the main thing for us is to agree on inventory for military hardware, ammunition, military property as well as their stocks as of Aug. 3, 1992, as this is envisaged by the Sochi agreement, to perfect the ideology of separation." According to Chernylevskiy, there should be no problems in this process, since both sides intend to solve the issues on the basis of compromise, "in a brotherly manner." The fate of the 257th Tank Regiment and 175th Engineers Brigade of the 126th Division located in Simferopol and the village of Perevalnoe near Simferopol is planned to be decided before the end of September 1995.

In general, according to the preliminary data, 338 BTR-70, BTR-80 and BTR-60 armored transport vehicles, 305 T-64A and T-64B tanks, and more than 200 absolutely new BMP-2 armored assault vehicles should be divided fifty-fifty. All these military hardware items are currently included in the BSF ordnance. The Russian portion of arms and military hardware is to be removed from Ukraine. During the same period, the servicemen should to reach personal decisions regarding their future. Maj. Gen. Vladimir Karpov, 126th Division commander, said of 600 officers and warrant officers, 90 will retire, 30 expressed their desire to serve in the Ukrainian Armed Forces and all the others will be transferred to Russia.

However, military officials told INTELNEWS that at least 300 officers and warrant officers of the division would like to take the oath to serve Ukraine under the condition that they will be assigned to serve in Crimea.

Sevastopol Group Seeks Removal of Russian Fleet

WS2808115695 Kiev INTELNEWS in English 2259 GMT 27 Aug 95

[FBIS Transcribed Text] Sevastopol, Aug 26 — The third Congress of Sevastopol Ukrainian Citizens appealed to the Russian and Ukrainian presidents recently to remove the Russian Black Sea Fleet from Ukrainian territory.

"We, participants of the third congress state that demilitarization of the Black Sea region improves the fruitful work of the Inter-Parliament Association of Black Sea countries as well as the peoples will to live in peace," the statement said.

The general reduction of armament alters the approach to the problem of national security, according to the appeal. The statement said that the presence and stationing of military units of one country on the territory of another country do not promote peoples' understanding or state security. Furthermore, this condition is the origin for constant aggravations in international relations. This situation burned in Sevastopol in January, 1992, the appeal said.

Yuriy Tymoshchuk, congress council head, said the main tasks of the organization were to improve Ukrainian political system within Sevastopol, to prevent ethnic conflict situations and not to allow the BSF to participate in military activities in Georgia and Chechnya.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Tymoshchuk laid special stress on the fact that Ukrainian Naval Forces were a stronghold of the Ukrainian political system in Sevastopol.

Among congress participants were parliamentary deputies Yevhen Lupakov, Mykola Probskiy, Yuriy Karmazin, Ukrainian Parliament Crimean Commission head and Rear Adm. Mykola Kostrov, Ukrainian Naval Forces Deputy commander. [sentence as received] "We appeal to you, Leonid Danilovich, and to you, Boris Nikolayevich, demanding removal from Ukrainian territory the Russian Black Sea Fleet as a source of tension and misunderstanding between peoples within three years after its division using the norms of international law and Ukraine's neutral alignment," according to the statement.

The group considers it possible to remove all Russian military units and ships from Ukrainian territory. That will also make the lives of Black Sea military men easier "because they have been in a difficult situation for several years," citizens said. "That is why we ask you to think first of all about people and about improving the friendship and respect between the states and their naval forces," the group said.

"We have to add that politicians must learn from the sailors of the Ukrainian and Black Sea fleets," the group said, "who can always reach a mutual understanding."

National Affairs

President Kuchma Ends Direct Subordination of Crimea

LD2808155495 Moscow ITAR-TASS World Service in Russian at 1508 GMT 28 Aug 95

[By Lev Ryabchikov]

[FBIS Translated Text] Simferopol, 28 Aug (ITAR-TASS) — Ukrainian President Leonid Kuchma has ended the direct subordination of the parliament of the autonomous region of the Crimea to the Ukrainian Government. The Crimea may now form its own government with only its prime minister subject to the Ukrainian president's approval.

According to reliable sources today, the 31 march corresponding decree of this year will be altered at the insistence of the leadership of the Crimean parliament.

As compensation for this concession Leonid Kuchma has abolished the Crimean Republic's district executive committees, transferring their functions to district state administrations subordinate to the autonomous region's government and the Cabinet of Ministers and president of the Ukraine.

Views Crimea's Autonomous Status

LD2908114395 Kiev UNIAR in Ukrainian 0800 GMT 29 Aug 95

[FBIS Translated Text] Sevastopol, 29 Aug (UNIAR) — Ukrainian President Leonid Kuchma told the 'KRYMSKIYE IZVESTIYA' newspaper on 28 August that he fully supports Crimea's autonomous status.

"Have no doubt, I have always believed and continue to believe in autonomy. Yet if the essence of autonomy is political squabbling rather than economic considerations, I reject it. Political squabbling was the reason for some of Kiev's earlier decisions, including subordinating the Crimean government directly to the Ukraine," Kuchma said.

The president also expressed support for a free economic zone in Sevastopol.

"I would like to say this: Sevastopol is Sevastopol. The local government has our cooperation, and we are ready to meet them halfway on any issue that would improve the economic situation for the people of Sevastopol. We will support free economic zones, but we reject demands couched in political slogans and declarations."

Engineers Submit Plan To Substitute for Chernobyl

WS2908073695 Kiev INTELNEWS in English 0106 GMT 29 Aug 95

[FBIS Transcribed Text] Kiev, Aug. 28 (INTELNEWS) — The Scientific-Technical Union of Power Engineers and Electricians of Ukraine have developed a plan to substitute a mixture of thermal and nuclear energy for the existing power generated by the Chernobyl nuclear power plant.

Oleksandr Dupak, vice president of the organization, said that the plan, which would emphasize reconstruction and modernization of existing plants operating on coal and oil, would take about 10 years and about US$ 5 billion to implement.

A condition of putting the proposed measures into practice is the payment of US$ 2 billion compensation to Ukraine by European Union and G-7 countries for the losses related to the accelerated closure of the Chernobyl plant.

Dupak said the project, which was sent to the president, Cabinet of Ministers and National Academy of Sciences, would require, in particular, mastering of modern technologies in power engineering machine building and thus create or save about 100,000 jobs. According to the concept, the Chernobyl nuclear power plant capacity will be compensated through increasing capacities of thermal power plants and putting into operation new

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reactors at the Rivne and Khmelnytskiy nuclear power plants.

Chernobyl Director Vouches for Plant Safety

WS2808125195 Kiev INTELNEWS in English 0112 GMT 28 Aug 95

[Interview with Serhiy Parashyn, director of the Chernobyl nuclear power plant, by Viktor Demenev; place and date not given; from the "Economic Review" feature; first two paragraphs are INTELNEWS introduction]

[FBIS Transcribed Text] Many would consider Serhiy Parashyn's job to be one of the world's most dangerous and historically tainted in the last nine years. The Chernobyl Nuclear Power Plant, the site of the world's worst nuclear accident in 1986, claimed thousands of lives on the spot and years later to cancer. But perhaps even more morbid was the profligate behavior of the Soviet government in trying to cover up the incident. Still, the plant churns out the power and supports an entire town of employees while the international community calls for its closure. Parashyn disputes concerns about the plant's safety problems and offers a plan to close Chernobyl that heavily depends on western aid.

ER: It would not be an exaggeration to say that out of 432 nuclear power units currently active on Earth, the reactors of the Chernobyl nuclear power plant (NPP) are the most famous. The reason being of course the fourth unit meltdown in 1986. Nine years passed since that. So, what is Chernobyl NPP now?

PARASHYN: Now its industrial capacity is supported by two reactors: the No. 1, the first-generation RBMK (better known as a Chernobyl-type reactor) reactor and the No. 3 reactor, which has improved protection systems for emergency situations. Safety is the major priority for us, so the first reactor is used at only 70 to 80 percent of its capacity.

ER: What is the current evaluation of the Chernobyl NPP safety level by International Atomic Energy Agency (IAEA) experts?

PARASHYN: Last year, two IAEA missions worked at the plant and they reported full NPP compliance to international regulations. IAEA experts, invited from the United States, Sweden, Great Britain, Spain and Russia, have made no categorical conclusions on the NPP's closure, contrary to Greenpeace announcements. Everybody acquainted with the concluding documents of the expert groups can confirm that.

On the contrary, the groups completely supported the efforts of the NPP personnel on the plant's increased safety and gave their recommendations on continuing this work, noting the high proficiency of our nuclear plant personnel.

By the way, our opponents are not fair in saying that all western states request the NPP's shutdown. At the April 1994 IAEA conference, only four countries out of 18 voted for it.

But it is true that IAEA experts gave their remarks but hardly any complex technical object in the world can escape them. But these remarks do not affect the major conclusion: The station is operational and the deficiencies noted can soon be eliminated by its own means, without the necessity of intrusion of the international community.

ER: But still, are there problems Chernobyl's operation?

PARASHYN: It might seem unbelievable, but now the Chernobyl NPP has the best reliability grade in the former Soviet Union. This year only one, zero-level (the lowest possible) problem occurred. The average for all Ukrainian NPP's is 3.8 per reactor and our indicator is 0.5.

ER: But last year G-7 leaders unanimously voted for Chernobyl's shutdown.

PARASHYN: I am sure that this resolution was 100 percent political and had no technical basis. In this case, Ukraine or any other country might request Great Britain put out of operation several reactors used for 40 years or more. Of course, these reactors do not comply to modern safety regulations.

On the other hand, it is easy to understand the position of G-7 leaders. Development of the nuclear electricity generating industry got stalled in some countries as well as the companies producing equipment for the NPP. Maybe, the latter hope to benefit from Chernobyl's shutdown.

ER: Nevertheless, Ukraine met the G-7 halfway, suggesting its approach to solving the Chernobyl problem. Please tell us about these suggestions as the Canadian G-7 summit discussed only the most general terms and therefore, most U.S. and European Union citizens are unaware of them.

PARASHYN: First, I'll name several figures, which will help in understanding the role of the Chernobyl NPP in Ukrainian power generation. The station annually generates 10.5 to 11 billion kilowatt-hours of electricity, which comprises 16 to 17 percent capacity for the NPP and 5.5 to 6 percent of the country's total for all types of power plants. After launching the No. 2 reactor, all these indicators will increase 1.5 times.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

For 16 additional years, up to the end of the Chernobyl plant service's time (30 years for each reactor, with replacement of technological channels in 1997-2001), the Chernobyl NPP is operational and can generate energy worth US$ 5.2 billion, counting US$ 0.02 per kilowatt (the average European price is US$ 0.05 per kilowatt). This money would allow turning the sarcophagus into an ecologically safe system, reconstruct first, second and third reactors and improve the living conditions in Slavutych — the town were NPP employees work.

The immediate plant shutdown would lead to direct losses of US$ 4.4 billion. The indirect losses, including losses in manufactured goods due to a lack electric power, will be of a higher magnitude, according to the experts (including the Americans) who studied this problem by invitation of the State Nuclear Energy Committee.

On the other hand, Ukraine shows its respect to others' minds, suggesting its plan after the visit of President Kuchma to the Chernobyl NPP this March. A steam-gas power plant is being constructed near Slavutych. Plants of this type are the most advanced by now, as their efficiency reaches 50 percent, while others, such as burning coal or black oil, are 27 to 30 percent efficient. Its construction will cost US$ 2 billion and will take three years. But there is one problem: the expenditures for gas are 2 to 2.5 times greater than for nuclear fuel. And with 30 to 40 years of exploitation, this will total quite a sum.

So, the final offer is that the West funds construction of a steam-gas power plant and covers the difference of nuclear fuel and gas prices for 10 years. All these measures will total US$ 4 billion and the contribution of each country, including Ukraine, is US$ 200 million, which is reasonable and all sides should be satisfied.

In this situation, the schedule of the Chernobyl NPP shutdown would be as follows: In 1995, work on terminating reactor No. 2 begins; in first half of 1997 reactor No. 1 is shut down and the first phase of the steam-gas plant is put to operation. In 1999 to 2000, is the launch of the third steam gas plant batch and reactor No. 3 shutdown.

ER: Nevertheless, the suggested plan was not been discussed at the Halifax G-7 summit and it will be studied by the working group of European Union Commission. In case the agreement is not reached within one or two years, what would happen, in your opinion?

PARASHYN: If it encounters a great electricity lack, the government accepted a program for further development of the nuclear power generating complex up to 2010. The program provides creation of its own nuclear fuel cycle, as the only known deposits of uranium and zirconium in Ukraine will be sufficient for 150 to 200 years.

According to this program, we started to prepare block No. 2 to be launched next year. According to technical requirements, in 1997-1998 we will substitute technological channels of reactor No. 1 later on, of reactor No. 2 and finally, in 2000 to 2001, the same operation will be conducted for the No. 3 reactor.

By these means, the service of the Chernobyl NPP can be extended for 10 to 15 years more, i.e. up to 2011-2016. The decision on this depends upon supervising bodies. But the major criteria for plant service time definition will be safety.

Our own experience shows that safety is the primary obligation of the nuclear electricity generating industry to society. And we will hold on to this principle.

Official Discusses Chernobyl Cleanup, Costs

AU2808175995 Kiev URYADOVYY KURYER in Ukrainian 22 Aug 95 p 8

[Interview with Volodymyr Ivanovych Kholosha, acting minister for issues of protection of the population from the aftermath of the accident at the Chernobyl Atomic Electric Power Plant, by Valentyna Kokina; place and date not given: "Chernobyl: A Program for Recuperation"]

[FBIS Translated Text] **The social protection of the population that has been particularly badly affected by the Chernobyl disaster is one of the outstanding problems that require resolution on a nationwide scale. Even though the government adopted, in 1991, the national Concept for Residence of the Population in Ukrainian Territories With Increased Levels of Radioactive Contamination Resulting From the Chernobyl Catastrophe and, on its basis, adopted relevant Ukrainian laws, they do not ensure the full protection of the people. The reasons are generally known — the difficult economic situation. Everybody will probably agree, however, that the state of health is the most sensitive indicator of the country's socioeconomic situation; this particularly applies to those who have been hit the hardest, especially children.**

Our interview with Volodymyr Ivanovych Kholosha, Ukraine's acting minister for issues of protection of the population from the aftermath of the accident at the Chernobyl Atomic Electric Power Plant, focuses on measures that the Chernobyl Ministry is presently taking to improve the situation, namely the quality of foodstuffs and the state of the population's health.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Kokina] Volodymyr Ivanovych, two Ukrainian laws are presently in force: "On Social Protection of Those Citizens Who Have Been Affected by the Chernobyl Catastrophe" and "On the Legal Status of the Territory That Has Been Affected by Radioactive Contamination as a Result of the Chernobyl Catastrophe." As is known, the Supreme Council is presently considering altering and supplementing the first of the two laws. How do you explain the reduction of benefits and compensation paid to the victims that makes the law not to the population's advantage?

[Kholosha] This coming November, the Supreme Council will, indeed, discuss these issues. It is impossible to ensure the full protection of the population because, as specialists have estimated, in accordance with this law, about 158 trillion karbovantsi [K] will be needed to ensure the social protection of the population in 1995 alone. Almost K90 trillion is necessary to finance the construction of housing and essential social and domestic services facilities for resettling citizens from the zone of unconditional (obligatory) evacuation and for the improvement of living conditions of disabled citizens and those evacuated in 1986.

This year, funds from the state budget allocated for the social protection of the population have constituted one-third of the aforementioned sum. Thus, the very problem of financing imposes the need to introduce such changes. They do not, however, only amount to lowering benefits and compensations. On the contrary, those children who suffer from thyroid gland cancer or some categories of people who have become handicapped as a result of the disaster will get increased social protection. Unfortunately, we do not see any other way out today.

[Kokina] Speaking of financing, could you say what sources are available at present?

[Kholosha] A special fund meant for financing all measures aimed at eliminating the consequences of the accident at the Chernobyl Atomic Electric Power Plant [AES] has been created within the framework of the state budget. The Chernobyl Ministry is in charge of allocating the money. Not just benefits and compensations, but also other programs are financed through this fund — starting from the "Ukryttya" [Shelter] facility [at the Chernobyl AES] and ending with the reorientation of agriculture, the implementation of programs for rehabilitation, monitoring, instrument building, and so on. Unfortunately, the state budget is so depleted that we do not receive the due sums, and allocations are getting smaller from year to year. (This year, the fund will account for 4.5 percent of Ukraine's budget).

[Kokina] What is the way out of the situation?

[Kholosha] Just one way out: We will only be able to help the worst-affected strata of the population.

[Kokina] Will all participants in the cleanup operations receive such assistance? Thousands of people are presently working in the contaminated areas of Ukraine. What has been done to create the conditions for a safe life of the residents working there?

[Kholosha] This is a very long story. I will say one thing. According to specialists, 12 percent of agricultural land in Ukraine has been affected by various levels of radioactive contamination, and 40 percent of the woodland has been contaminated with radioactivity ranging from 1 to hundreds of curies per square kilometer. So, of course, the radiation monitoring of such land is carried out, especially in dangerous areas. Additional funds are allocated for work in areas contaminated with radiation. It must be said that, despite all the economic difficulties, in 1994, K20.2 trillion from the Chernobyl Fund was allocated to finance measures for eliminating the aftermath of the Chernobyl catastrophe. From this amount, K12 trillion went for social protection.

Last year alone, 190,000 square meters of housing and schools that may accommodate 10,500 pupils were commissioned and 411.2 kilometers of water pipes and 1,109.5 km of gas pipelines were built. For the first time, gas was supplied to a number of northern areas in Zhytomyr and Rivne Oblasts. A number of important projects for stabilizing the ecological situation (in terms of radiation) in the exclusion zone and at the "Ukryttya" facility were completed.

[Kokina] Some territories are contaminated with strontium and cesium that have an adverse effect on the health of adults and children. Is there any control over the foodstuffs, and how clean are they?

[Kholosha] We have approximately 2,000 radiological stations and laboratories in various departments that conduct monitoring, not only in the contaminated territories. The complex of work carried out over recent years has returned most land areas to agricultural and other types of production. Regarding cesium and strontium, these radionuclides spread outside the zone in limited amounts only. At any rate, we are doing everything to improve the radiological situation. For this, we enlist the services of the best specialists. The majority of them were trained through the Ukrainian Radiological Training Center that we created jointly with the State Committee for Atomic Supervision at the T.G. Shevchenko Kiev State University. The center trains personnel in methods of radiological and ecological safety, that is to say, it prepares specialists who can conduct measurements, observations, and control in a proper way.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the State Foodstuffs Industry Association alone, 237 combines have corresponding services for radiological observation and control. Within the system of the Ukrainian Cooperatives Union, there are about 400 radiological centers. The system is organized in the following way. Everything to do with radiological control is financed by the ministry through corresponding services and departments and ensures stringent control over the radiation situation of both territories and foodstuffs. About 5 million hectares of the territory have been affected by strong radioactive contamination, and the radiation is dangerous for life on about 500,000 hectares. The population is forbidden to live there. Yet.... Many elderly people have remained in villages. They do not want to be resettled.

Jointly with many ministries and organizations (the Ministry of Health, the Ministry of Agricultural Produce, the Ministry of Forestry, the State Committee for Hydrometeorology, the National Academy of Science, local bodies of executive power, and so on), we create the necessary conditions for living.

The environmental self-purification and measures taken have led to lowering the content of radionuclides in environmental facilities and in agricultural products. This, in turn, reduced the doses of external and internal irradiation by a factor of two to three.

[Kokina] Can one trust our domestic foodstuffs?

[Kholosha] Products sold by state commercial enterprises have undergone inspection. We now drink pure water, consume relatively clean foodstuffs, and breath clean air. We must be careful, however, about products sold by private vendors. I mean mushrooms and berries picked in woods and frequently sold outside market places.

[Kokina] How to protect the health of the nation and to create the conditions for the vital activity of the almost 3.5 million persons who were affected by the radiation?

[Kholosha] We work constantly on resolving this problem. One of our tasks is to develop and put into production technologies for manufacturing preparations that may be used for the treatment and prevention of diseases, as well as sorbents and foodstuffs with properties that protect against radioactivity. To attract as many departments and organizations as possible and to better inform the population, we will, for the third time, participate in the annual international exhibition "Health Protection-95," which is traditionally organized by the state exhibition firm "Zovnishekspobiznes" [External Exhibition Business] subordinated to Ukraine's Ministry of External Economic Ties and Trade (Valentyn Sokolovskyy is the director). The exhibition will be held in Kiev between 12 and 15 September. I would like to stress the great work conducted by "Zovnishekspobiznes" in carrying out this undertaking.

In view of the economic instability in the country, the firm will, in many cases, cover some of the expenses of the participants at the exhibition.

[Kokina] You said that you would participate in the exhibition for the third time. Are there any results from the earlier exhibitions?

[Kholosha] Of course, there are. The types of products that we have financed have passed from the technological stage to serial production. Quite a number of contracts were concluded. In my opinion, many people could find out not only about foreign, but also about Ukrainian production and about firms and enterprises that deal with these matters. It would be wonderful if the state, leaders at all levels, and interested persons would not remain indifferent to such events. So that what has been achieved over the years would not just remain in the form of display in exhibition halls, but would be given extensive publicity. So not only state funds, but also those of commercial structures and of our esteemed businessmen and entrepreneurs could be involved in the project. The thing is that our population still has a poor knowledge about proper eating habits and ways of improving health in conditions of increased radiation. For this, there is a wide selection of pectin products that will be on display and that are now on sale, beverages, bread with special admixtures and radiation-protection properties.

Our main task is to create a kind of chain between producers and the population affected by the radiation. Let us jointly take care of our health.

New Unit Launch Delayed at Zaporozhye Nuclear Plant

LD2708161895 Kiev UNIAN in Ukrainian 1450 GMT 27 Aug 95

[FBIS Translated Text] Kiev, 27 Aug (UNIAN) — The loading of nuclear fuel into the reactor of the sixth power unit at Zaporozhye nuclear power plant is complete, the information center of the Ministry of Environment and Nuclear Safety nuclear control administration told UNIAN.

According to the State Committee for the Use of Nuclear Power, there are currently no serious technical obstacles to the launch of the new unit. The launch has been delayed, however, because of the lack of funds for constructing the social infrastructure required by the local authorities.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Technical staff are currently inspecting reactor parts and preparing the paperwork required to obtain permission for a new series of prelaunch operations due to begin in two weeks.

According to Oleksandr Smyshlyayev, first deputy minister of environment and nuclear safety, the Main State Inspectorate for Nuclear and Radioactive Safety has set out a list of requirements to be met before the next stage of prelaunch operations can go ahead. The stage involves physical measurements at the unit.

Udovenko's Performance After One Year Assessed

WS2808120495 Kiev INTELNEWS in English 2259 GMT 27 Aug 95

[FBIS Transcribed Text] Appointed by President Leonid Kuchma as Foreign Minister Aug. 25, 1994, Hennadiy Udovenko assumed office only last September after returning from a two year stay in Warsaw as the Ukrainian ambassador to Poland.

Udovenko replaced Oleksandr Zlenko, Ukraine's current representative to the United Nations. Udovenko also served as Ukraine's acting U.N. representative from 1985 to 1992. Udovenko has been active during his term. After a one-year stay in office, Udovenko has began to get rid of strong rivals at the ministry, according to Heorhiy Marchulenko, member of the parliamentary Committee for Foreign Affairs and CIS Relations. Borys Tarasyuk, his first deputy minister and potential foreign minister candidate, will be appointed ambassador to the Benelux countries shortly, sources said. Currently supervising the issues of the Black Sea Fleet and those related to Ukraine's cooperation with NATO, Tarasyuk is the "axis of the Ukrainian foreign policy," according to the ZERKALO NEDELI newspaper.

The upcoming re-appointment of Tarasyuk comes in the wake of Oleksandr Chaliy's departure, Foreign Ministry Legal Treaties Department Chief, who left for Bucharest as Ukraine's Ambassador to Romania.

Romanian media and Ukrainian parliamentary Foreign Committee indicate the appointment gave an impetus to the protracted negotiations between Ukraine and Romania, which had been making territorial claims in Ukraine. As a career diplomat and attorney, Chaliy replaced Leontiy Snadyliyak, professor of medicine at Chernivtsi University. Marchulenko complained that Udovenko has not taken a resolute "statehood stance," hesitating in choice between performing his job with the best interests of Ukraine at heart and the desire to keep his post. However, Udovenko's dismissal is not on the current agenda, Marchulenko acknowledged.

Forming his new Cabinet, Kuchma retained Udovenko as foreign minister, although presidential chief of staff Dmytro Tabachnyk desired the office for himself.

According to Marchulenko, "Tabachnyk, but not Udovenko, is the foreign policymaker of Ukraine."

On Independence Day, Kuchma described Ukrainian foreign policy by saying: "Among major gains of our young state are the breakthrough to the outside world," Marchulenko said. "Today, acting as an influential member in Europe, its stability and security, Ukraine is playing an importing role in settlement of international problems. Ukraine has substantially expanded and enriched its foreign relations in various spheres. This nurtured a welcome attitude to Ukraine on the world stage and established Ukraine's international image as a stable and predictable partner pursuing weighted and prognosticated policy."

According to Foreign Ministry Information Department Deputy Chief Natalia Zarudna, the major achievement of Ukrainian foreign policy was "establishment of well-balanced relations with the CIS countries, neighboring countries of Central and Eastern Europe as well as the Group of Seven Industrialized Nations." Zarudna noted that Ukraine reached "a substantial breakthrough in relations with the United States, and U.S. President Bill Clinton's visit to Ukraine proves this." Other foreign policy gains include "active and intensive work" on Ukraine's joining the Council of Europe. According to Zarudna, Ukraine can get CE membership as early as the end of this year. "The cooperation with European Union and NATO has also expanded," Zarudna noted. In dissonance with the statement, Marchulenko said that the Foreign Ministry has not yet shaped its policy to decide whether the country intends to join NATO.

"I also vehemently oppose repeated statements by the president that Ukraine should be integrated into Eurasia," Marchulenko said. "Ukraine is a European state and should be integrated into European institutions." Marchulenko, a Rukh Party member, said he "cannot understand the Foreign Ministry using the term 'strategic partnership' related to Russia."

Earlier, Udovenko, answering to the same question of journalists, said that the term "means nothing."

Marchulenko said, "Cooperation with the Ukrainian diaspora in neighboring countries has been insufficiently developed." This is a gaffe, Marchulenko said, because "these are people that can really influence the policy of their states." Human resources remains a major problem for the ministry, Marchulenko said. The main reason is primarily the low salaries of the ministry staff, but not a lack of a Ukrainian school of diplomats.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"The Parliament is working out the internal and foreign policy of the country," Marchulenko said, "while the ministry is implementing the foreign policy conception."

Marchulenko said, "The cooperation between the ministry and the parliamentary committee on exchange of information and interaction is insufficient."

Economic Issues

Vice Premier Sees Time Right for Introducing Hryvna

MM2908102695 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" Section) in Russian 29 Aug 95 p 1

[Report by Olga Musafirova: "Race Between Hryvna and Karbovanets"]

[FBIS Translated Text] Kiev — Ukrainian Vice Premier Viktor Pinzenik has made a sensational announcement: According to him, a unique moment for the introduction of the national currency — hryvna — has now arisen. The National Bank of Ukraine has a $2-billion reserve for the stabilization fund, plus the country has virtually paid for the gas it uses. The vice premier claims that the karbovanets will be exchanged for the hryvna at a rate of 100,000 karbovantsy to 1 hryvna. And the dollar will hypothetically be equivalent to 1.5 hryvna. No shortage of the new currency is foreseen. So many hryvna have been printed that you could cover the Kiev Republic Stadium's field with several layers of them.

At the same time Viktor Yushchenko, chairman of the National Bank of Ukraine Board, claims that the current disastrous fall in the karbovanets-dollar exchange rate (comparable to Moscow's "Black Tuesday") was...foreseen. In August the government paid out considerable sums of money — grants, holiday pay, and wages — and this entailed a certain devaluation of the karbovanets.

Kuchma's Economic Adviser Cited on Monetary Reform

WS2808132495 Kiev KYYIVSKA PRAVDA in Ukrainian 22 Aug 95 pp 1, 2

["Exclusive" interview with Anatoliy Stepanovych Halchynskyy, adviser to the Ukrainian president for macroeconomic issues, by H. Pyvovarov; place and date not given: "Monetary Reform Is Not a Fetish, But a Step Toward a Market Economy"]

[FBIS Translated Text] **[Pyvovarov] Anatoliy Stepanovych, almost a year has passed since the president announced his economic policy, the course toward market transformations. What has been done and what has not been done over this time?**

[Halchynskyy] I think that everyone understands that all efforts to reform the economy cannot be implemented without relevant political transformations. So, the president has outlined his political course in a precise way and I believe that the people became convinced that there will be no changes in its practical implementation. Only the merging of political and economic reforms can trigger positive results.

You asked me about recent results. So, it is impossible to make a revolution in the economy, to achieve radical changes, to improve the people's standard of living over such a short time frame — a year. I hope that everyone understands this. Certain changes in the economy, however, have been made. They are the basis for the future economic development.

[Pyvovarov] What specific changes are implied?

[Halchynskyy] Primarily, the financial-monetary stabilization. The inflation index has become stable: It varied between 4.5 percent and 5.2. percent over three recent months, May-July. This is a comparatively low index, but we want to reduce the monthly inflation rate to 2-3 percent.

Credit interest rates have decreased. In November last year, when we began reform, the refinancing rate [stavka refinansuvannya] amounted to 300 percent, at the beginning of 1995 — 200 percent, and currently — 65-70 percent. The credit interest rate has "slimmed down" three-fold over the past six months. It is, however, the basis for resolving numerous economic issues.

Indexes of production output have also become stable. Look for yourselves. In May of this year it dropped 1.5 percent, in June — 1 percent; the picture in July, however, was different: It increased 1.3 percent. This is normal for the current period. We envisage that the second half of the year will provide us with better results and the drop in production output will be practically halted, despite the fact that a difficult winter — in terms of fuel and energy resources — is waiting for us. If we have fuel and energy resources, we will not let production output drop.

[Pyvovarov] I do not understand, what is the basis for stabilization of production?

[Halchynskyy] I will tell you the following: I would not reward anyone according to such deserts [as published]. Five years of crisis is too long a period. The process of adjusting production structures to a modern economic environment is under way.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Pyvovarov] Do you want to say that this an arbitrary and an undirected reaction?

[Halchynskyy] A new macroeconomic environment is being set up and enterprises are learning how to exist in it. Leaders of enterprises are working their heads off to adjust to the changing environment. I alone, and also together with the president, have been travelling a lot across the country recently; I am becoming more and more convinced that effectiveness of an enterprise is 90-percent dependent on the leader running it.

Let us take, for example, Kiev Oblast. I will provide you with an example dating back to the old time. It, however, is very indicative. There was the Zhdanov collective farm in Myronivskyy rayon, where I worked at the time. There were no dairymaids at this collective farm, cows were milked at the instruction of the rayon party committee, and the enterprise literally collapsed. Buznitskyy, a well-known hero of the socialist labor, became its chairman and the collective farm became a leader over two-three years, even though the same people worked there and the land did not change.

With this example, I want to show to what a great extent everything depends on a leader. We are planning to renew contracts with leaders of state enterprises in the next six months. We are heading toward a market economy and — whether you like it or not — one will all the same have to learn to work and to live according to market principles. One will have to learn to work, but not to cry over a difficult situation.

[Pyvovarov] Anatoliy Stepanovych, let us go down from the macroeconomic heights to the level of an ordinary individual, who is currently bearing the weight of inflation and of higher prices and who almost does not feel the stabilization that you are talking about. If I can put it this way, when will stabilization emerge at the microeconomic level?

[Halchynskyy] I will tell you the following thing: Over the past five months, the average wage went up at a quicker pace than inflation; hence, real incomes of the people increased. Of course, they did not increase much: Over the first six months of this year, an average wage increase was 16 percent. Anyway, this is not much consolation, because compared with previous years, the drop in the incomes of the people was much more sizable: Incomes dropped 3.5- fold over the recent four years. In addition, this wage increase is of a sectoral nature. Oil processing and some other sectors accounted for the greatest wage increases, while wages in the agricultural sector, in consumer services, and in machine building are still extremely low.

[Pyvovarov] How can incomes increase while production goes down? Due to the currency emission?

[Halchynskyy] No, this is not inflation; in addition, the drop in production, as I said, has stopped. This is something else. I will not tell you a secret when I say that the drop in production in Ukraine is less than is shown by statistics. A very sizable portion of production output is simply disregarded, it is simply in the shadow economy. Today, one-third of money in circulation does not pass through the banking system, because this money services the shadow economy.

I do not want to reduce everything to only this concept, but the size of the shadow economy is extremely large. Everyone — every individual and the state — suffers from this. In the West, concealing income from taxes is an extremely great public violation. As regards us, according to our statistics, we collect some 40-50 percent of real taxes.

This year, industrial output in Ukraine dropped 28 percent. In terms of international norms, such an annual drop in production output would have triggered the collapse of the entire economy. As regards us, we survived, and we are alive, because there was no such a drop in production in reality. In general, the shadow economy is an entire sector in our economy.

[Pyvovarov] A conclusion is emerging: This economic sector should come out of the shadows and be brought into the light of day. But how?

[Halchynskyy] First of all, decrease the tax pressure; second, reduce the burden of inflation; third, increase responsibility of leaders and the culture of production.

[Pyvovarov] I know that you, Anatoliy Stepanovych, are an old and convinced supporter of the monetary reform. Several years ago, when you worked in the Institute of the World Economy and International Relations, you told me about the need to conduct the monetary reform as soon as possible. I remember your words: When life is good, reform is not conducted. Reform is conducted when life is difficult. What aim should the monetary reform pursue?

[Halchynskyy] I am grateful to you that you put the question in such terms. There are two concepts of the monetary reform. The concept that the monetary reform must be a result of stabilization was favored before: At first, it is necessary to stabilize the monetary-financial system, to reduce the inflation rate, and only then to reform the national currency to make it stable.

Today, another viewpoint won, which I, financier-researcher, supported and am currently supporting: The monetary reform itself is not a fetish, but one of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

most important levers of financial stabilization, a step toward a market economy.

[Pyvovarov] What can the monetary reform give concretely and what must it give?

[Halchynskyy] A more stable monetary unit which will be respected around the world. Rumors — that investors from the West do not want to deal with us because we have no national currency, but have some coupons — will terminate. It seems to me that I will remember forever what I saw when I was in Germany. There were... Ukrainian coupons lying on the ground near a famous church in Cologne.

After all, there has been enough talk about reform. In July 1990 we stated our desire to have the national currency in the Declaration on the State Sovereignty of Ukraine. There has been only talk on this subject over five years. If the reform is announced, it is implemented. While we delayed the reform, our economy became entirely dollarized. The dollar, not the coupon, is the primary valuation unit in Ukraine. In what currency are prices set up? In dollars. In what currency is money accumulated? The dollar as a means of payment does not yield to the coupon.

[Pyvovarov] Can the destiny of the hryvnya be the same as that of the coupon?

[Halchynskyy] Naturally, the hryvnya will have the same destiny if we manage the economy the way we do now. According to the concept on which the reform is based, the primary issue is serious post-reform measures.

The emergence of the national monetary unit, I hope, will also trigger respect for it inside the country. There will be no situation when anyone who wants to do so will demand that the state issue money to him. Our legislature will also not make fine gestures by voting for the social development of rural areas that require 20 percent of all budget spendings. Well, who is against the development of rural areas? In the family, however, where the members have no clothes to put on, no one asks for money to buy delicatessen. Asking money, however, was a normal thing for the coupon in Ukraine [as published]. When we conduct the reform, we will consider this psychological factor.

[Pyvovarov] Anatoliy Stepanovych, I will cite a portion of your interview to a Kiev newspaper: "The effectiveness of the post-reform stabilization mechanisms will be of primary importance." Further, you state: "There are no secrets and can be no secrets." You have just mentioned serious measures which the government will take after the hryvnya is introduced. I am afraid that they will be tough for the majority of the people, for workers, as it always was before, when the burden of all economic measures and experiments was placed on them.

[Halchynskyy] I still cannot tell you what is planned, not because it is a secret, but because these measures have not been finally developed. I will only say that there should not be many measures, there will be some five-seven important ones. The State Commission for Monetary Reform, where I work, has not yet specified them.

When you came into my office, I was writing something and asked you to wait. I was writing a memorandum to the president. We propose to force state enterprises to conduct an accelerated corporatization after reform, because we see the need to divide the state economic sector into two parts. The smaller part will include critical enterprises, which cannot adjust to the conditions of the market economy and hence the state has to maintain them. All the remaining enterprises should be shifted to the corporate form of ownership that — according to the international experience — is the most rational one. Some 89 percent of products in the United States are produced by such enterprises.

Corporate enterprises will be accountable for their production themselves. They will be independent: If they want, they could enter the financial market, issue bonds, and sell them. They, however, will not be protected from bankruptcy. So, they will operate according to the principle: One lives according to his endeavor.

I will reveal another "secret" to you. Under what condition can the hryvnya devalue? Under inflation. On what does inflation depend primarily? On the budget deficit that is covered by the currency emission. In August 1994, the budget had a 31.2-percent deficit. The current budget has an 8-percent deficit. An acceptable norm of the deficit, with which the IMF also agrees, is 5 percent. When we learn how to collect taxes, we will achieve a 2-3-percent deficit.

While we do not know how to collect taxes, we are outlining other ways to service the budget deficit. We are planning to reduce the budget deficit to 6 percent next year. We will cover this budget deficit from three sources: Two percent will be covered by the National Bank credits, 2 percent will be covered by the capital market, and the remaining portion will be covered by external sources.

By the way, the people in Ukraine still do not know what the securities market is, while the majority of the people in the West invest their money in state securities that are sold through the capital market. Russia has made

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

considerable progress in this direction. We also want to develop the capital market.

[Pyvovarov] Reform will not be of a confiscatory nature, will it?

[Halchynskyy] The people should not worry in this respect.

[Pyvovarov] Honest workers will not suffer, will they?

[Halchynskyy] No, they will not suffer.

[Pyvovarov] So, will the people, who have savings, be able to keep all of them?

[Halchynskyy] Undoubtedly, they will. The other matter is that difficulties with exchanging money could emerge. We do not want to prolong this process; we, however, want to conduct it quickly. Relevant organizational measures are already being implemented. A meeting of heads of oblast administrations has been held in the Cabinet of Ministers. A commission for implementing the monetary reform will operate in each rayon. Exchange centers are being set up.

[Pyvovarov] Anyway, Anatoliy Stepanovych, one has to realize that post-reform measures will be quiet tough. This being the case, I would like to know will these measures be connected by freezing wages and liberalizing prices? Will the government resort to such measures?

[Halchynskyy] Our economic policy admits such nonsense [as published]. There is a classic model: When a wage is frozen, prices are frozen as well. It could seem: Why not take this step — to freeze wages and prices temporarily, for six months — to make a new monetary unit stable? This, however, will conflict with the logic of reforming the monetary system directed at the market transformation of the economy. We will never resolve the crisis if we do not raise wages and incomes of the people, in other words, if we do not raise the paying capacity of the people. An entire variety of sectors in Ukraine are now in a pitiful state because their products are not being sold. Their products are not in demand because the people have no money.

[Pyvovarov] I wnat to ask you one more thing: Is the stabilization reform fund that has been set up an adequate one?

[Halchynskyy] Since you touched upon this issue, I want to say something about the principle that is laid in the basis of this fund. A model under which a new monetary unit is rigidly tied up to the dollar has been discussed. This being the case, if inflation continues, an extremely sizable — standing at some $3 trillion — stabilization fund is needed to preserve the stable rate of our money. This fund would make it possible for the National Bank to carry out its currency intervention and thus support the stability of the hryvnya. Many experts, including myself, were inclined to introduce this model.

We, however, have refused this, because our payment balance is negative. We should stabilize our monetary unit through other means which I mentioned before — by reducing inflation and the budget deficit and by a tough finanical policy. We have accumulated a sufficient stabilization fund for such an option. This is the result of the economic policy pursued over the recent year, because back in the summer of last year the state coffers was empty.

Debt To Russia's 'Gazprom' To Be Repaid With Bonds

WS2908090595 Lvov INFOBANK in English 0710 GMT 29 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] On September 1 the printing of 280,000 Ukrainian governmental bonds worth $5,000 each will be completed. The bonds are to be handed over to the Russian joint stock company Gazprom. The Ukrainian Ministry of Finances' department which calculates Ukraine's debt to foreign countries told INFOBANK that Gazprom intends to begin realizing the Ukrainian bonds in September. The bonds are being issued by Ukraine's Ministry of Finance to cover Ukraine's yearly payments on debts for natural gas purchased from Russia. According to the Russian-Ukrainian agreement on restructuring Ukraine's debts for natural gas which was signed March 18, 1995, the bonds may be cashed in 12 years, although Ukraine should begin buying them back in 1997. The Russian bank Natsionalnyy Kredit (National Credit) has been selected as the authorized depositor and payment agent dealing with the loans to Ukraine.

Crimean Economy in First Half of 1995 Detailed

WS2908113495 Simferopol GOLOS KRYMA in Russian 11 Aug 95 p 3

[Report by the Autonomous Republic of Crimea State Statistics Committee: "Crimea in the Mirror of Statistics"]

[FBIS Translated Text]

Industry

During the first half of this year, the volume of industrial production decreased by 7.02 trillion karbovantsi [K] in comparable prices, or 19 percent; in June it decreased by 13.7 percent, and in May by 17.1. The production

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of state-owned companies decreased by 8 percent, and that of leased companies decreased by 48.8 percent. In general, 240 industrial companies, or 73.3 percent of all such companies, reduced their production.

The largest decline in production occurred in the light industry — 58.7 percent, and the machine-building industry — 41.3 percent; at companies based in Alushta it was 50.5 percent, in Yevpatoriya — 46.3 percent, and in Feodosiya — 42.8 percent. Among companies that virtually stopped their production were the Kerch glassware plant — its production declined by 91 percent, the Kerch cotton spinning mill — by 79.3 percent, the Simferopol television set plant — by 67.7 percent, and the Prodmash leased company — by 64.4 percent.

At the same time, the following companies increased their production compared with the first half of last year: the Vtortsvetmet production amalgamation — by 98.8 percent, the Perekop bromine plant — by 66.7 percent, the Titan production amalgamation — by 83.5 percent, the Simferopol-based "Santekhprom" plant — by 51.5 percent, the Chernomorneftegaz company — by 12.8 percent, as well as other companies.

Transport and Communications

During the first half of 1995, the volume of shipments conducted by all means of transport amounted to 7.1 million tonnes, which was 2.6 million tonnes less than during the previous six months.

The Crimean branch of the Dnepr railroad company shipped 4.5 million tonnes of goods, which was 17.7 percent less than in the first half of 1994. The assortment of chemical and mineral fertilizers doubled, and the volume of their shipments amounted to 2.6 million tonnes. Shipments of oil and oil products decreased by 39.6 percent, shipments of cement — by 39.2 percent, shipments of milled grain — by 16.4 percent, shipments of scrapped ferrous metals — by 14.9 percent, and shipments of iron ore — by 14.8 percent. During this period, 12.6 million passengers were transported, which was 7.7 percent less than the first half of last year.

The Krymavtotrans vehicle transport company shipped 2.3 million tonnes of goods in the first half of this year. Compared with the previous six months, the volume of shipments decreased by 1.6 million tonnes, and the volume of passenger traffic — by 3.3 percent.

The public sea transport companies shipped 348,000 tonnes of goods and 3.3 million passengers. During the first six months, the freight turnover was 1,664 tonnes per mile. Sea trade ports transshipped 1,271,000 tonnes of goods, which was 7 percent less than in the previous six months.

The Krym aviation company conducted 2,867 flights during January-June this year, which was 29.3 percent more than during the corresponding period last year. The geography of air flights was the following: flights to CIS countries — 36.7 percent, international flights — 35.5 percent, and domestic flights — 27.8 percent.

Pipeline shipments amounted to 965 million cubic meters of gas in January-June this year.

Capital Construction

During the first half of 1995, capital stocks worth $23 million were put into operation. The volume of capital investment was $59.3 million, of which $47.5 million was spent on construction works. The volume of centralized capital investment amounted to $25.5 million, of which 80 percent was used to construct nonproduction facilities. Of the total volume of investment, 70 percent was invested in construction of state-run companies, 25 percent — in collective property, 4 percent — in construction of public and private housing, and 1 percent — in property of foreign countries. The share of capital investment in construction of nonproduction facilities was 67 percent.

During January-June this year, construction companies of all forms of ownership commissioned houses with a total living area of 185,000 square meters, which was 7 percent more than during the previous six months. State-run companies and organizations commissioned 59,700 square meters of housing, collective companies — 59,300 square meters, and the population at its own expense or state loans — 66,100 square meters.

$11.4 million of capital investment was spent on the development of the Crimean agro-industrial complex, of which 52 percent was invested in production facilities. Houses with a total living area of 36,200 square meters were built for agricultural sector employees, including 26,900 square meters built in the countryside. Almost half of these houses were built by the population.

K964.4 billion ($6.4 million) of capital investment was spent on construction of facilities according to the program for return of deported nations, of which 64 percent was spent on construction of housing and 32 percent on municipal facilities. Houses with a total living area of 14,900 square meters (212 apartments) were commissioned, including 4,500 square meters (49 apartments) in the countryside.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Belarus

Parliament Session On Despite Presidential Protest

MK2908062695 Moscow KOMMERSANT-DAILY in Russian 26 Aug 95 p 4

[Report by Anna Benneva: "A Semi-Legal Session Will Discuss Legislation"]

[FBIS Translated Text] A number of drafts have been prepared for the next session of the Belarusian parliament, due to open on 5 September. They include in particular amendments to the laws on citizenship and on state property, and a bankruptcy bill. Furthermore, the parliamentarians are to straighten things out with customs and decide who will control enterprises with shares of foreign capital.

It will be recalled that the parliament that will continue its work in early September is of the previous, 12th convocation, because no new parliament has been formed as a result of the May elections. President Lukashenka considers this deputy corps to be illegitimate: Its five-year term has expired. However, under the law, the parliamentarians retain their powers until a new parliament has taken over. It is quite likely that the president will obstruct the next parliament session.

Even so it is expected that the session will make changes in the citizenship law: Six of its articles will be shed and 17 additions will be made. The substantive changes refer to the residence qualification for acquiring citizenship (it is planned to raise it from five to seven years) and grounds for its acquisition: Republic citizenship may be granted to persons who have earlier renounced the citizenship of other states. The timeframe for consideration of citizenship renunciation petitions is to be reduced from one year to two months. Approval of the list of documents required for the acquisition of citizenship will be moved from the jurisdiction of the Internal Affairs Ministry to presidential structures.

The Economic Reform Commission will submit a bankruptcy bill and a bill on changes in the law on state property. Parliament will consider two variants of this bill: one submitted by the parliament commission and the other by the president.

Now about customs. Petr Sadovskiy, head of the parliament Foreign Relations Commission, said that the president intends to place the Customs Committee under his control. But this is opposed by the parliament commission: According to Sadovskiy, in this event the committee will end up without oversight. The commission also intends to submit a draft resolution whereby all international agreements before ratification are to be approved by the Foreign Relations Commission. Furthermore, Sadovskiy said that a bill is pending that will enumerate the bodies authorized to oversee enterprises with shares of foreign capital, because at present they are monitored and audited by "whoever comes along." The Commission on Education, Culture, and Preservation of the Historical Legacy for its part has drafted a bill on artistic unions.

Dmitriy Bulakhov, chairman of the Legislation Commission, said that the Constitutional Court has asked parliament to explain whether the court may assess documents other than nonstatutory enactments (for instance, presidential edicts) as to their constitutionality. Bulakhov said that the answer was in the negative, but in the event of impeachment procedures being instituted, nonstatutory enactments must also be tested as to their compliance with the Constitution.

Lukashenka Vows Support for 'Large' Collective Farms

WS2808143295 Minsk BTK Television Network in Belarusian 1800 GMT 26 Aug 95

[Speech by President Alyaksandr Lukashenka at the Third Nationwide Exhibition of Highly Productive Pedigree Cattle in Dzerzhynsk Rayon on 26 August — recorded, in Russian]

[FBIS Translated Text] We have just seen the great creation of nature and not only that, but also the great creation of people's craft. This has become possible only due to the fact that we have recently approached the development of the Republic's animal husbandry and agriculture as a whole in a sober way. You surely remember that literally two-three years ago we were reforming everything and everybody. It was proposed for us to reform the agricultural sector by destroying kolkhozes and sovkhozes, as well as to divide land between the present and future self-styled landlords. I think that we were able to preserve all this beauty due to the rejection of that policy of harshly forcing reform in agriculture. I should tell you that the current government and the president, who was elected by you a year ago, have never advocated such a concept of reform in the agricultural sector. I announce before this large festive gathering that we will never allow the destruction of large farms in the Republic of Belarus, because they are the foothold and foundation of our life and the life of our people. [applause]

This in not conservatism, this is not an attitude of the anti-market president. This is a command of our life. In the end, I can say the following: I did not promise you to destroy sovkhozes and kolkhozes during my election campaign. Therefore, we will support large enterprises. I want to tell kolkhoz and sovkhoz managers, who are

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in numerous attendance here, about my attitude toward the development of our country's agrarian complex. We will do everything to support you. Nothing can be done just from nothing; it is also difficult today to give something to those not desiring to work and earn money. I come here to say to those specialists, who have show us all these wonders, that we will support primarily pedigree stock-breeding in the agricultural sector. We will strive to create full price parity between the agricultural products and the products that you use. At the same time, I want you to see and understand the situation that is currently shaping around our attempts to preserve commonsense in the economy and to prevent all that has been created by many generations from being sold out, ruined, and squandered.

Klaus Kinkel Visit, Relations With Germany Viewed

WS2908093895 Minsk ZVYAZDA in Belarusian 23 Aug 95 p 1

[Commentary by Yuras Lyashkevich: "Former Intelligence Officer Klaus Kinkel Has Visited Belarus"]

[FBIS Translated Text] Up to now, the Belarusian-German relationship has not developed very well. Regardless of the fact that Germany was the first foreign state that, after the proclamation of independence by Belarus at the beginning of 1992 established an embassy in Minsk, relations between official Bonn and Minsk have remained quite cold. Stanislaw Shushkevich, the then chairman of the Supreme Soviet, visited Germany in March 1992, and then, just 18 months after (!) came the visit of Minister of Foreign Affairs Pyotr Krawchanka. At that time, P. Krawchanka's visit was characterized as a "diplomatic breakthrough to the West." Two agreements were signed then, on cultural cooperation and on assistance for the elimination of the Chernobyl disaster aftermath. The truth is that after that "breakthrough" came the standstill which was only broken after the presidential elections: In August 1994 newly elected Minister of Foreign Affairs Uladzimir Syanko visited Bonn.

Among those significant agreements which currently link the two states and which are worth mentioning are the Treaty On Mutual Protection Of Investments, the Treaty On Full-Scale Cooperation in Economy, Industry, Science and Technology, as well as the joint declaration on relations between Belarus and Germany. Everyone will agree that these are not very impressive achievements. Nevertheless, it is necessary to point to the following events. The coldness in relations between the top echelons of power is compensated — to a certain degree — by contacts between Belarus and specific German federal lands. In this area, cooperation has really produced significant results, and it seems that Germany is becoming Belarus's most vigorous and most important partner in West Europe.

Thus, finally af[illegible] year, we had German Foreign Minister Klaus Kin[illegible] visit in return. It was not difficult to notice that the visit was of an informative nature, though neither the Belarusian side nor the German side spoke about it directly. No documents were signed during the visit. No matter how loudly Belarus speaks about the democratic processes which are occurring in Belarus, about the process of reform, and the indicators of economic and political stabilization, the West, as in former times remains alert and continues to observe us. This is particularly noticeable before it makes important geopolitical decisions.

K. Kinkel did not conceal his anxiety about the fact that Belarus had suspended its arms reduction peogram, thus disregarding plan to meet its commitments under the Agreement On Conventional Arms in Europe. This issue is haunting not only Germany but also all of Europe, therefore this was one of the primary issues during the negotiations in Minsk. Klaus Kinkel did not play down the importance of the problem in front of journalists, though, in fact, the latter did not learn any details about the results of the meetings with the Belarusian leadership. Mr. Kinkel only pointed out that he had not been promised that Belarus would resume the process of tanks and aircraft liquidation, and he admitted that he was n[illegible]ble to promise any assistance toward that purpose. [illegible]ot a secret that Belarus's admission to the EU, in [illegible]n Germany plays a leading role, depends on the resolution of this issue. Thus, the visit did not help clarify weather Belarus will resume reducing arms.

Another, not less important issue of the German foreign department chief's "reconnaissance" visit was familiarization with the political and economic situation in the Republic on the eve of the IMF allocating a "standby" credit. It is obvious that the West will allocate funds only if it is convinced that the money will not be wasted, and only if there is some hope for its return. We will learn tomorrow, after the session of the IMF board, whether Minsk has managed to convince Klaus Kinkel on this.

Klaus Kinkel's visit to Kurapaty [site of mass executions in 1930's] became a characteristic features of his visit to Belarus. Political observers regard this event as a diplomatic step meant to demonstrate support for Belarusian national-patriotic forces. As we know, the minister was the only foreign politician who openly assessed the developments of April 1995, when opposition deputies were thrown out of the Supreme Soviet session room. However, while responding to a journalist's ques-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

tion "whom did you pay homage to in Kurapaty?" — Kinkel replied to all those who lost their lives there.

Generally speaking, the German foreign minister's visit will not even be remembered by Minsk residents. As opposed to previous visits paid by foreign guests, there were almost no difficulties connected with ensuring security. The number of guards was minimal so it did not cause any additional problems in the movement of Minsk residents and transport. Perhaps this is a feature of the Belarusian leadership's new approach toward meeting important visitors, given that the cordons of policemen and soldiers seen weekly on Minsk streets have begun to annoy even the most patient people. If so, it is very welcomed.

And finally, we can expect that this visit will be noted on the international scene and that it will lay foundations for new, closer and friendly cooperation between Belarus and Germany. The truth is that the absence of a Belarusian ambassador to Germany for a period of approximately one year, despite the fact that Germany unconditionally is of a strategic importance for Belarus, has had a negative impact on this issue, too. Affairs at the Belarusian Embassy in Germany are temporary handled by Alyaksandr Rukhlya, who was sent there to replace dismissed Pavel Sadowski.

Germany's Kinkel's 'Peremptory' Advice Criticized

MM2908091695 Moscow PRAVDA in Russian 26 Aug 95 p 2

[Report by Oleg Stepanenko: "Herr Minister Wants To Eliminate Shortcomings. Belarus: Guests Acting As... Masters"]

[FBIS Translated Text] Minsk — Certain Western politicians make a strange impression. When they visit any of the CIS countries they seem to forget that they are the guests and start giving lectures and orders. Just like a master speaking to a servant in his own home. During his official visit to Minsk Herr Kinkel, FRG deputy chancellor and foreign minister, succumbed to that selfsame strange absentmindedness.

The first symptoms were manifested before the start of the visit in an article of his front-paged in SOVETSKAYA BELORUSSIYA. Anyone who reads it will see that Federal Minister Doctor of Sciences Klaus Kinkel wrote it with one aim — to teach the Belarusians to see sense.

Moreover, he did so, despite his doctorate, with boyish bluntness. First, he gave a quaint explanation, in line with bourgeois ideological stereotypes, that everyone "who harmonizes with Europe harmonizes with a community of values based on democracy and a market economy." Then he told Belarusians what is going on in their republic — "Belarus is experiencing a grave economic crisis" — and at the same time as informing them of this profound truth (tell them something they don't already know) he imposed his own view of the reasons for this crisis: "A consistent program of market reform has hitherto been lacking."

But, most importantly, the minister — and he is also the deputy chancellor — "mapped out" with Teutonic precision a course for Belarus in his article: "There is no alternative to reform." Not only did he map it out — naturally in the direction of the market — but he also indicated what people must do: "New partners must adapt to Europe." Concretizing this somewhat general requirement, Herr Kinkel enumerated the steps that Belarus must take: "Legislative organs elected freely and honestly are essential, as well as the conditions for the unimpeded activity of parties, the mass media, and trade unions — in the form envisaged by the new Belarusian Constitution of 1994. The immediate elimination of the existing shortcomings is in the fundamental interests of Belarus itself."

If Kinkel the doctor and lawyer were here in the republic as chairman of the Constitutional Court, everyone might have understood his peremptory opinions, conclusions, and advice. But how can you view with understanding lectures and instructions given by the minister of a foreign state? Did he really forget that he was not at home and is not yet the Gauleiter of Belarus?

Alas! Herr Kinkel's strange absentmindedness was fully reaffirmed during his visit. At a press conference following his meetings with the Belarusian leadership he was frank. Let me quote the German minister from the Dictaphone recording: "We will carry on focusing our attention on the continuation of the reform process.... In the sphere of economic development I indicated that the process of privatization is an important element, in other words privatization, privatization, and more privatization. This must be the main theme for the country.... Money and capital will only be channeled into those areas where market conditions are created."

The German minister openly linked these conditions with economic aid: He said, I will help out and I will persuade other Western countries and the IMF.... Isn't the price of this aid too high?

Sober specialists listening to the Herr Doktor clutched their heads. The sum total of the loans that the West is promising in the near future is no more than $300 million. Yet during its four-year destruction of the socialist economy, which Klaus Kinkel did not fail to knock, and its advance toward the market Belarus has lost one-third of its GDP compared with the 1990 level.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

If you take into account lost rate of growth in GDP — 5.6 percent in 1989 — the figure is over one-half. At the official 1990 exchange rate the total loss is $58.6 billion. But then the official exchange rate (0.9 rubles [R] to the dollar) was not accurate. The U.S. CIA (Herr Kinkel, who headed its FRG counterpart, should be perfectly well aware of that) worked out its calculations using highly accurate methodology and established that in 1989 R1 was equivalent to $2.9.

Thus, in four years of market reform Belarus has suffered a loss of $152 billion. But 500 times less aid has been offered!

Prompting the republic to continue the ruinous course, the German minister said instructively: "Russia has already understood the situation"; reform there is allegedly being carried out with might and main. And we would point out that the results are staggering. Compared with 1990 GDP in Russia has fallen not by one-third as it has in Belarus but by one-half. And in four years, even if you do not count lost growth, the loss at the exchange rate used by the CIA is $885 billion.

We do of course understand the German minister's concern: Belarus is still alive and Russia, buoyed up by its oxygen supply of oil and gas, is also hovering between life and death. That is the main "shortcoming" which Herr Kinkel, along with the Western supreme command and capital, wants to eliminate. They have already presented the former USSR republics with the lifeline of market reform and now they are promising to provide extra cash for soap. It was for soap that those inveterate Belarusian market economists — First Deputy Vice Premier M. Myasnikovich and National Bank Chairman S. Bogdankevich — flew to the IMF Board of Directors straight after Kinkel's visit.

If everything continues in the same vein, gentlemen like Kinkel will undeniably succeed in eliminating the "shortcomings" in both Belarus and Russia, as well as in the other former Union republics.

Moldova

President Snegur Elected Head of New Party

LD2608161095 Moscow ITAR-TASS World Service in Russian 1218 GMT 26 Aug 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Text] Chisinau, 26 Aug (ITAR-TASS) — President Mircea Snegur has been elected chairman of the Moldovan Party of Rebirth and Accord [Partiya Vozrozhdeniya i Soglasiya Moldavii] which was founded today.

Addressing the founding congress of the movement, M. Snegur accused the ruling Agrarian Democratic Party of not justifying the hopes of the electorate, as it has been holding up reforms and imposing political discussion on society in an attempt to divert it from the problem of the declining living standards. He emphasized that the success of the transformations started in the country would only be possible if accord were achieved in the country.

Analysts consider that the president's demonstrative departure from the ranks of the Agrarian Democratic Party, which he joined after its victory in last year's parliamentary elections, and the setting up of his own party show that there is a split among Moldovan leaders. The government newspaper MOLDOVA SUVERANA (Soverein Moldova) appraised these moves by M. Snegur as "the start of the campaign for the presidency."

The campaign for the state presidency, elections for which are due to be held at the end of next year, will probably be fought between the republic's three current leaders - President M. Snegur, parliament chairman Petru Lucinschi, and Prime Minister Andrei Sangheli. The formal reason for this development was the fact that the Agrarian Democratic Party and Prime Minister A. Sangheli did not agree to the president's proposal that Romanian replace the Moldovan language in the constitution. M. Snegur put forward this initiative in parliament at the insistence of leaders of students who were on strike in Chisinau this spring.

Snegur Outlines Aims of PRCM at Congress

AU2808123895 Chisinau BASAPRESS in English 1930 GMT 26 Aug 95

[FBIS Transcribed Text] Chisinau 26/08/1995, (BASAPRESS) — The congress of creation of the Party for Revival and Conciliation of Moldova (PRCM) was held in Chisinau today. 845 delegates from the 904 elected participated in it. According to the report presented by the Validation Committee, all Moldova's districts and towns, except for Hancesti and Cantemir, had their representatives. President Mircea Snegur, who presented the basic report, said the PRCM intends to become the party of the masses, "open for every citizen, regardless his or her nationality, confession, or previous ideas." According to the president, the PRCM's creation is timely because "the governing party did not carry out all the expectations of the voters. Instead of focussing their attention on the hot issues, the leadership of the Agrarian Democratic Party of Moldova [PDAM] started useless arguments, and the idea of a referendum was launched when the pensions problem was being discussed," stated Snegur, accusing the governing party of "refraining from a civilized discussion upon the correct name of the official language, the agrarians being ready to collaborate with the most retrogressive

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

forces that plead for USSR's revival." President Snegur said that when he had started the legislative initiative on the constitutional definition of the official language, the Parliament was offered a chance to repair its mistake, but instead we got "manifestations of brutality and arrogance, of despise toward professionals, requests to call back all the students and postgraduates from Romania, and demands to review all the documents and decisions referring to the state language." Snegur rejected the accusations that the students' strike was supported by the chief of the state, asserting that "the present Parliament requested the Academy's opinion on the correct name of the official language on July 28, 1994." According to Snegur, the people insisting on the referendum on language could "make the gulf between intellectuals and the other social layers even deeper." The president said Moldova is in danger of starting walking "on a way not desired by most of the population." Snegur also stated the Parliament tried to gain more power, a presidential republic with a two-chambers parliament being thus necessary. Outlining the immediate tasks of the PRCM, Snegur made his option for supporting the agro-industrial sector by state subsidies, financing the small business, the integration of the agrarian sector in the world's circulation of goods, attraction of investments for a revival of the industry and a development of securities market. Pointing out the future tasks of PRCM, Snegur mentioned modifications in the prerogatives of the state bodies toward forecasting functions, correcting the privatization process, re-structuring the agro-industrial complex, giving the land to peasants. Valerian Verstiuc, head of PRCM Validation Committee, presented a report on PRCM members. According to the report, the workers and peasants represent 8 percent of the total, the representatives of the private sector — 11 percent, economists — 15 percent, employees in science and education — 6 percent, employees in art, culture, literature, mass-media, and health care — 24 percent, state officials — 15 percent. "706 delegates are Moldovans-Romanians, 109 — representatives of other nations," said the head of Validation Committee. The congress elected Mircea Snegur as the party's president. The delegates elected the party's Republican Council counting 88 members, 45 of them being district counselors. Sergiu Radautanu, Veaceslav Protenco, Iulia Esanu, and Nicolae Andronic were elected as vice-presidents of PRCM. Alexandru Gandrabura and Pavel Rotaru were elected as secretaries of the party.

Party Leaders Comment on PRCM Establishment

AU2908100995 Chisinau BASAPRESS in English 2110 GMT 28 Aug 95

[FBIS Transcribed Text] Chisinau 28/08/1995, (BASAPRESS) — Representatives of political formations have different opinions on the constitution of the Party for Revival and Conciliation of Moldova [PRCM], whose leader was elected President Snegur. Anatol Taran, the Social Democratic Party's [PSDM] leader, stated to BASAPRESS that the new party does not have a classic doctrine so far, and its sign (Morning Star), according to some people, could have connotations linked to the idea of Romanian Nationalism. "It is still early to speak about the PRCM's future, the only clear advantage of it is the fact that the party's leader is the state's president", pointed out Taran. According to the PSDM's leader, "it is strange that a party without an account and membership dues can afford renting the Ballet and Opera Theater for holding its opening congress." Eugen Sobor, president of the Moldovan Party for Social Progress, told BASAPRESS his formation was ready to cooperate with any other party, in case the major goal of the latter is "the maintenance of peace in the country." Sobor shares the opinion that "it is something new that the state's chief is also the leader of a party," underlining that, in his opinion, "President Snegur took into account Moldova's political peculiarities." Nicolae Chirtoaca, co-president of the Moldovan Party of Liberal Democracy (PLDM), stated that "as a rule, the positions of president of the state and leader of a party are controversial, because in a civilized society the president should be above the political parties." "However, the fact that Moldova is still at the beginning of creating a multi-party system, might be a good excuse for it," added Chirtoaca. "One cannot speak about a concrete doctrine of the new party, but if this political formation will come to a classic doctrine, then it would take a social-democratic position, especially in the field of social policies," said Chirtoaca.

New PRCM 'Neither Pro-Romanian, Nor Pro-Russian'

AU2808145595 Chisinau BASAPRESS in English 1930 GMT 26 Aug 95

["The Party for Revival and Conciliation-PRCM Will Be Neither Pro-Romanian Nor Pro-Russian — Interview With Sergiu Radautan, leader of the Organizing Committee for Creation of the Party for Revival and Conciliation of Moldova, Solicited Before the First Congress of PRCM" — BASAPRESS headline]

[FBIS Transcribed Text] Chisinau 26/08/1995, (BASAPRESS) —

Question: Long before its constitution, the PRCM declared itself as a centrist formation. What more can be said about the PRCM, beginning from the draft program and status?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Answer: First of all, we want to make a party for the masses. In the period of preparation for the creation of the party, the documents were prepared from the level of districts the national one. We'll also have representatives in the eastern and southern districts.

Question: Any political formation has certain goals to accomplish. They say "the PRCM is a party to support Snegur at the future presidential elections."

Answer: We have short and long-term goals. The short-term ones are related to solving the acute problems of the economy. But we are also anxious about the problems the science and the health care have. We realize the future will be based upon new technologies. So, we are going to protect and support the intellectual thesaurus in every domain.

Question: So, supporting Snegur is related to the future?

Answer: Let's postpone this matter until after the congress.

Question: What does the strategy of conciliation mean?

Answer: There are many parties now and we consider that they should cooperate. In the draft program of PRCM it is underlined: "The conciliation should gather us all."

Question: Many accusations were made against the national, "pro-Romanian" character of the future formation...

Answer: I repeat. According to its ideology, the party is a pure centrist one. We are neither pro-Romanian, nor pro-Russian. The PRCM proposes itself to protect all Moldova's citizens, regardless nationality, religion, or language. Moreover, we do not intend to make any coup d'etats.

Question: However, how would you comment the fact that they criticize the not yet formed party?

Answer: More persons from different parties seek for the people's enemy. I can assure we shall promote any idea or model in a constitutional mode. I do not mean the annihilation of any articles of Constitution or other laws, but the trend to get near to the more advanced models of the relations between the three pillars — the president, the Parliament's speaker, and the premier. There is also another reason. This party may become very powerful, as it was created from bottom to top. A great deal of the present members of the other parties could adhere to us. And this fact will weaken the respective political formations.

Question: According to some allegations, more persons have adhered to the PRCM in order to escape from the responsibility for previous actions.

Answer: It is just vice-versa. If this party wins at the elections, the first thing it will do is the reparation of the previously committed flaws. One can also mention under this title that many people are urged not to adhere to PRCM.

Chisinau To Alter Economic Reform Program

AU2908120795 Chisinau BASAPRESS in English 2110 GMT 28 Aug 95

[FBIS Transcribed Text] Chisinau 28/08/1995, (BASA-PRESS) — If in the following months the production process is not be re-launched, the Chisinau government will alter the program of economic reforms. The fiscal policy is to be revised in the first place in order to give the industry and investments an advantage. Anatol Gudim, vice minister of economy, said that radical changes might occur in the economy in October. Such statements and the drafting of a package of documents on the strategy of economic structure, industrial policy and a single fiscal code, shows the intention of the officials to switch the process of reforms to another "speed". It's obvious that the basic objectives of the governmental program adopted by the Parliament last year (stop the decline and start a growth of the economy, ensure a quality jump in the transition to the market economy) were not fulfilled.

Statistics suggests that the crisis has worsened, some experts say it turned into a "depression". Moldova has blindly taken over Checkia's experience of privatization with vouchers and today we can say for sure that the principle of social equity has been violated while carrying out this process. There is an opinion that only heads of collective farms and enterprises gained from the process of privatization. Presently, "the owners of the privatized enterprises are their former chairmen", the shareholders are nothing but "a fiction for reports", and "the observation of the legislation depends upon the principles and morality of the owners," said Ion Hancu, chairman of State Commission for Securities Markets. The participants in the debates on the process of economic reforms in Moldova, initiated by the Coordinating Council for reforms, declared the judiciary reform is late, and a series of laws adopted by the Parliament between 1990-1991 are outdated. Hancu believes the economic crises extends and worsens because the second stage of economic reforms lacks the necessary legislative frame, especially some normative acts which would regulate the activity of investment funds and securities circulation. No conditions for foreign investments stimulation were created and the state support of the private sector is far from being sufficient for its development, the participants in the sitting said. Premier Sangheli said earlier that the governmental pro-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

gram of activity for 1994-1997 is socially oriented, in other words — it would not sacrifice decent standard of living for the reforms. This declaration didn't prove to be true yet. Official data shows the average wage in the country is just 42 percent of the minimum consumption budget. "The implementation of economic reforms requires some alterations," states the ideological platform of the Moldovan Agrarian Democratic Party (PDAM). The realization of PDAM's intentions is impeded by the difficulties Moldova is facing. The financial blockade, prompted by the delayed arrears payoff, and wage debts have unpredictable and discouraging effects. In this respect, the recent ultimatum of agricultural workers Trade Union, which demands guarantees for an efficient functioning of laws, the re-examination of pricing policies, payoff of wage debts and arrears for raw materials supplied by agricultural producers, is nothing but a warning. In case the demands are not satisfied, the Trade Union will start in November protest actions to replace the Government. Many experts believe some political movements are likely to demand the resignation of the government as well. Under these circumstances, the executive will have to deal in the first place with immediate problems which. Meanwhile, 80.5 percent of the interviewed in a sociological poll, showed dissatisfaction with the situation from the republic, 36.7 percent said in the following months the economic situation will change for worse, 22.6 percent that it will change for better, and 37.9 percent that it will remain the same.

Officials Concerned Over Military Equipment Transfer

AU2908114895 Chisinau BASAPRESS in English 2110 GMT 28 Aug 95

[Political commentary by BASAPRESS: "Tiraspol Strengthens Its Army Using Patrimony of Russian Troops"]

[FBIS Transcribed Text] Chisinau/Tiraspol 28/08/1995, (BASAPRESS) — The lack of a real control of the process of surrendering equipment and ammunition of the former 14th Army to Tiraspol authorities alerts the Chisinau officials. According to some military sources from Tiraspol, the commandment of the Russian troops located in Dniester has already started transferring Russian military equipment to the Tiraspol authorities. More experts related to the military circles of the self-proclaimed Dniester republic said the Tiraspol authorities were given some transportation units, including "Ural" lorries, and 5 armored cars "Chayka" in the middle of August. Four military towns/camps of the Russian forces which are to be evacuated from the Dniester area are also planned to be transferred to the Dniester officials. One of these towns, located in Slobozia, has already been put at the disposal of the Dniester Army in the middle of August. Previously, the commandment of the Russian troops stated together with the houses of the military towns, the local authorities would be given motorcars and communication devices of no use to the military. Military experts of Tiraspol still consider the communication installations transmitted to the Dniester authorities by the Russian forces as useful for the Defense, Security and Interior Ministries of the self-proclaimed Dniester republic to modernize their telecommunication systems. According to some data, the Dniester power structures will receive installations capable to receive the radio programs and conversations between the military objects of Moldova, located both near Dniester River and in the districts from within the country. The same sources say the issue on transferring the first set of Russian military equipment to the Dniester authorities was discussed earlier in June. But in the first third of August, divergencies emerged between the commandment of the Russian troops and the Dniester's leadership. They were caused by Tiraspol leaders' declarations against annihilating the old ammunition from the Russian military dumps. Consequently, the terms and the conditions of transferring the military patrimony were changed. Yet a compromise has been reached after a series of "intense contacts" between the Dniester force structures and the Russian troops' commandment. The transmission of the military patrimony was conditioned by re-starting the process of annihilating the old ammunition. Sources from Tiraspol refer to a concrete list of military patrimony which is to be handed to the Dniester authorities. It was signed on July 31 by one of the Dniester leaders. Not having the possibility to verify these data in the Russian military circles, we propose the list of the patrimony of the movable group of Russian troops, which is likely to be transmitted to Dniester authorities: R-140-0.5 small capacity radio stations (7), R-142n cars for the headquarters (16), R-137 radio-stations(2), R-145BM armored cars for headquarters (5), R-409 relay radio stations (8), R-454F radio stations (12), R-140 middle capacity radio stations (16), R-150M2 radio stations (2), P-247 auto-transmission installation (1), P-242TM auto-transmission installations (2), R-136 radio stations (1), R453 radio stations (2), P-256 auto-transmission installations (2), Z-350P Diesel installation (2), P-270 telephone field cable (50 km.), P-274M telephone field cable (100 km.), MT-55 motorized installation (2). According to this document, the Tiraspol authorities are to pay 12.5 billion Russian rubles for this patrimony. Judging by the publication in the Chisinau press, the experts of the power structures of Moldova have information on the transfer of military technique to the Tiraspol authorities. At their suggestion, media shall ask: To what degree does the transfer

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of military equipment correspond to the stipulations of the accord on the conditions and terms of evacuating the Russian troops from Moldova, which has not yet been enforced. Only General Yevnevich has answered the question so far, denying the rumors about the evacuation of four trains with various military equipment. According to the commander of the Russian troops, the evacuation of these trains is not possible until the final documents are signed. In the opinion of the Russian general, the transport transferred to Dniester, "will be used for washing the streets and in agriculture." Military experts consider that in case the Russian troops give Tiraspol big quantities of equipment and ammunition, as the ones from the above document, Dniester could soon turn into one of the most militarized area in Europe.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kazakhstan

Nazarbayev Comments on New Constitution

LD2808201395 Moscow INTERFAX in English 1706 GMT 28 Aug 95

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin; from the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kazakh President Nursultan Nazarbayev has given an exclusive interview to the INTERFAX news agency.

INTERFAX: You authored the new constitution of Kazakhstan submitted for the August 30 referendum. What importance do you assign to its adoption? How does it differ from the existing Basic Law?

NAZARBAYEV: In fact, though I am not a lawyer myself, I have been working on this document for a year, especially intensively since last December. I deliberately took a two-week vacation to read 18 constitutions of various countries — France, U.S., Greece, Italy, Turkey, South Korea, etc. — with a pencil in my hand.

Unquestionably, I assign great importance to this basic document. The matter is that the existing Constitution, adopted in 1993, was a product of compromises we had to resort to under the conditions of those times. It contains blank spaces and discrepancies which later drove the country into a legal and political deadlock in a number of cases. We have seen two parliaments disband and two governments resign in this short period of time. At the same time, the Basic Law did not envision such situations! Its articles on citizenship, language, nature of statehood constantly aroused debate in society. We could not have that in such a multi-national state as Kazakhstan. It is simply dangerous here.

We could not limit ourselves to simply mending the old Constitution. The new Basic Law is qualitatively different, because it was designed and presented as a coherent and clear-cut, real "people's treaty with the authorities."

The old Constitution declared Kazakhstan was a state of the Kazakhs only. They account for a little more than a half of the republic's population. It was incorrect, I have always disagreed with that. Now we state: "We, the people of Kazakhstan, creating statehood on the ancient Kazakh land..."

We have solved the issue of citizenship, preliminarily agreeing with Russia on a simplified free citizenship procedure between the two states. In this context, I optimistically took Boris Nikolayevich Yeltsin's recent speech where he spoke of Russia's intention to step up the ratification of bilateral documents on citizenship that the people need so much. Kazakhstan has already ratified them.

We were the first CIS state to constitutionally solve the issue of private ownership of land. Now land may be in private ownership. The draft basic law guarantees the confidentiality of banking accounts, which creates in the country financial conditions like in Switzerland.

We plainly and clearly defined the powers of each branch of power and the system of checks and counterbalances. The president is entitled to dissolve the parliament, which may in turn impeach the president. The old Constitution did not have that. Nor did it have the parliament's ability to vote on confidence in the government, or the latter's ability to raise confidence in itself. This provision will make the government and legislature to find a common language.

Our Constitution envisions really democratic human and civil rights and freedoms, conforming to the highest international standards, and mutual obligations of the state and citizens under the formula: "The state and its representing officials act strictly according to the law; citizens are entitled to everything not directly banned by the law."

I think the new Constitution conforms to our historic realities, needs of Kazakhstan our society, every Kazakh resident. The people will adopt the Basic Law in the most democratic way, through a referendum, considering all their wishes and remarks.

Constitution To Solve Private Land Problem

LD2808135995 Moscow INTERFAX in English 1013 GMT 28 Aug 95

[FBIS Transcribed Text] ALMATY, Aug 28 (INTERFAX) — The new draft of the Kazakh constitution is the only document in the CIS which can resolve the problem of private ownership of land, Kazakh President Nursultan Nazarbayev told INTERFAX in an exclusive interview.

The referendum for the new constitution's adoption is planned for August 30.

The draft constitution also guarantees the secrecy of banking accounts, "which creates in the country financial conditions similar to those in Switzerland," Nazarbayev said.

Nazarbayev said the draft clearly determined the powers of each branch of power and "a system of counterbalances," "the right of the president to dismiss the parliament, which in its turn can impeach the president which is not provided for by the present constitution."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The parliament cannot at present declare no confidence in the cabinet of ministers and the cabinet cannot raise the issue of confidence in itself. "This provision makes the cabinet and the parliament find a common language," Nazarbayev said.

Nazarbayev said the Kazakh constitution included realistic democratic rights of the individual in conformity with the highest international standards. "I think the new constitution responds to our historic reality, the needs of Kazakhstan, our society, every Kazakh," he said.

Nazarbayev said the present constitution, adopted in 1993, contained "gaps which have later put the country into a legal and political deadlock."

Nazarbayev said the new constitution would be adopted "in the most democratic manner: through a nationwide referendum and taking into consideration the wishes and observations that have been made."

Nazarbayev said he hoped the majority of voters would back the constitution in the referendum. He said the results of weekly public opinion polls gave reason for such hopes.

"I have visited the East Kazakhstan, North Kazakhstan, Kokchetav, Akmolin and Kustanay regions. I have talked to thousands of people but I have not seen anyone seriously speaking against the new constitution," Nazarbayev said.

Kazakhstan Offers Russia Control of Some Enterprises

MK2908112695 Moscow SEGODNYA in Russian 29 Aug 95 p 2

[Report by Elmar Murtazayev: "Kazakhstan Intends To Transfer a Number of Enterprises to the Operational Control of Russia. 'Roskontrakt' Will Consider Them in Regard to Economic Efficiency"]

[FBIS Translated Text] Kazakhstan Prime Minister Akezhan Kazhgeldin has proposed that the Russian "Roskontrakt" company take several dozen Kazakhstani enterprises under its operational control, purchasing them at a later date. Stanislav Anisimov, "Roskontrakt's" director general, has told INTERFAX that at issue are enterprises of the chemical and petrochemical complex, the ore resources base, and machine-building enterprises depending on Russian raw materials or supplying Russia and the CIS countries with their products.

According to the Kazakhstan side, the transfer of the enterprises under Russia's operational control is bound to enhance considerably the efficient use of their industrial capacity. However, in Mr. Anisimov's words, the Russian side will only make a decision upon Kazakhstan's submitting to "Roskontrakt" a list of enterprises proposed for transfer and a review of their economic status. In doing so, Russia will be guided not only by the need to restore the technological and cooperative links between Kazakhstani and Russian enterprises, but, above all, by considerations of economic efficiency.

It is likely that for the most part it is the so-called border enterprises, where specialists from Russia work on a contract basis, that are at issue. Kazakhstan has been active in trying to implement various cooperation projects with Russian enterprises in the oil and gas, metallurgical, and machine-building sectors, after an agreement on cooperation was signed by Premiers Viktor Chernomyrdin and Akezhan Kazhegeldin. It will be recalled that under this document, from 1991 to 1994 this Central Asian country was exempt from repaying its debt to Russia (amounting to $1 billion). Possibly it was due to this measure that Russian companies have gained access to Kazakhstani property. Thus, in mid-July, a government decision was approved on placing the state-owned shareholdings of the "Karatau" holding company, which comprises a number of petrochemical enterprises, under the control of the Yuzhniy fuel-and-energy company and the "LUKoil" joint-stock company. Furthermore, the "Kumkol-LUKoil" company has been set up with a view to developing an oil deposit with reserves estimated at 550-600 million tonnes.

U.S.-Kazakh Oil Joint Venture Suspends Operations

LD2808195695 Moscow INTERFAX in English 1808 GMT 28 Aug 95

[FBIS Transcribed Text] ALMATY, Aug 28 (PIA-INTERFAX) — The Kazakh Ministry for Oil and Gas Industry is concerned about the situation in the U.S.-Kazakh Karazhanbass Oil Company joint venture which was earlier believed "very promising," a source in the ministry told INTERFAX's Petroleum Information Agency [PIA].

The same source said that as a result of numerous problems the joint venture had in fact suspended its performance.

The source said serious errors had been made when determining the date and the terms for forming the company's charter capital. The source said the partners had failed to exercise appropriate control over their expenses and had not provided each other with relevant documentation.

The joint venture's foreign founder recommended to the Karazhanbass Oil Company that the Supply Management Ltd company should supply it with equipment.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The same source said that, however, the equipment was second-hand and incomplete and thus absolutely impossible to use in Karazhanbass.

The joint venture was created in September 1992 by the Karazhambasmunai enterprise and the U.S. Carey Overseas Petroleum Limited (a subsidiary of the Carey Energy Corporation). The joint venture was set up for developing the Karazhanbas field in the Mangistauskiy region of Kazakhstan.

The joint venture planned to bring the annual oil extraction on this field to 577,000 tonnes by drilling and putting into functioning new wells.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Armenia

Russian Delegation Arrives for Talks

NC2808205595 Yerevan Armenia's Radio First Program Network in Armenian 1950 GMT 28 Aug 95

[FBIS Translated Text] A Russian Government delegation headed by Vsevolod Oleandrov, the ambassador for special missions, arrived in Armenia today. In a statement to our correspondent at Zvartnots airport, the ambassador said they will discuss the legal status of the Armenians residing permanently in Russia and the Russians residing permanently in Armenia, as well as draft agreements on scientific, educational, and cultural cooperation. The delegation will stay in Yerevan until 1 September. During the visit round table discussions on various problems will be held.

Azerbaijani Tank Attack Repulsed; No Casualties

NC2808134995 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 28 Aug 95

[FBIS Translated Text] The Defense Ministry press service reported that the Azerbaijani Armed Forces units violated the cease-fire on the northeastern sector of the Armenian-Azerbaijani border on 27 August. The Azerbaijani side opened heavy machine gun fire on the defensive positions of Vahan in Krasnoselsk between 0105 and 0120 on 27 August. The Azerbaijani side launched a large scale attack at 1400. An enemy tank battalion, supported by infantry and artillery, penetrated a few kilometers into the territory of the republic and tried to consolidate its hold on the area. Having prior knowledge of a possible attack by the enemy and having allowed its advance, our units were able to encircle the enemy formation. Leaving behind two tanks on our territory, the enemy retreated to its initial positions. The exchange of fire in that sector continued until 2100. There were no casualties on the Armenian side.

Relative calm prevailed on the rest of the borders. So far no information has been received on the border situation today.

Renewed Attacks Condemned

NC2808160395 Yerevan Radio Yerevan International Service in Armenian 1300 GMT 28 Aug 95

[FBIS Translated Text] In view of the Azerbaijani formations' armed (?attacks) last weekend, the Armenian Defense Ministry has issued an official statement which says:

The periodic violation of the cease-fire by the Azerbaijani Armed Forces on the northern and northeastern sectors of the Armenian-Azerbaijani border have recently been accompanied by an obvious concentration of military hardware and troops. The enemy has been sending reconnaissance teams to predetermined routes of attack in an attempt to probe the Armenian side's strength at those border sectors. This is most evident in the Krasnoselsk, Tavush, and Noyemberian regions.

The Azerbaijani side is taking advantage of the fact that the Armenian Armed Forces are fulfilling all the written and oral cease-fire commitments. Ignoring the fact that the Azerbaijani side will bear full responsibility for the cease-fire violations, the Azerbaijani Armed Forces units are trying to launch attacks against predetermined targets particularly from the Kazakh and Kedabek regions. They are also reconfiguring their forces in the Nakhichevan Autonomous Republic.

True to its bellicose nature, the Azerbaijani side again violated the cease-fire on 27 August and launched a tank attack against Krasnoselsk in an attempt to breach our defensive positions. Recently efforts have been made to penetrate the republic's territory through fighting and reconnaissance on border sectors in the Krasnoselsk, Tavush, and Noyemberian regions and on the Armenian-Nakhichevan border. In such cases, we have no other choice but to deal a deserving counterblow and force the enemy to stop its fire.

Through its attempt to undermine every effort by various international organizations to settle the Karabakh conflict, Azerbaijan bears a responsibility first of all towards its own people for dragging it into a doomed war, concludes the official statement of the Armenian Defense Ministry.

TV Examines Might of Country's Armed Forces

LD2808161595 Moscow Russian Television Network in Russian 0649 GMT 27 Aug 95

[From the "Aty-Baty" program]

[FBIS Translated Excerpt] We will start to acquaint television viewers with the armed forces of states on the territory of the former Soviet Union. [passage omitted]

What makes Armenia particular and what has to a large degree determined its military successes is exactly the presence and the creation, within a very short time, of an autonomous socio-economic foundation for the activity of the Armed Forces, allowing high troop moral. In the two divisions given to it by Russia there were more than 130 tanks, 180 mechanized infantry fighting vehicles, 60 armored personnel carriers, 130 artillery systems, several tens of Osa (SAM-8), Strela (SAM), and also ZSU Shilka antiaircraft missile systems.

The republic [Armenia] is experiencing a large deficit of aviation technology. It has at its disposal only one

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

squadron of Mi-24 and Mi-8 helicopters. Today the Armenian Army has 250 tanks, 350 combat vehicles, and seven helicopters. The combined mobilization system [smeshannaya mobilizatsionnaya systema] allows for the extensive use of the experience gained by first class military specialists in the Karabakh [Nagorno-Karabakh] and other military conflicts. In all other problems, other than the Azerbaijan one, the country is not against relying on the military power of its great northern neighbor [Russia] and has been welcoming the presence of a Russian military base on its territory for a long time. [passage omitted]

National Redistricting Draft Law Explained

954F3214A Yerevan RESPUBLIKA ARMENIYA in Russian 19 Aug 95 p 1

[SNARK report: "Instead of Chairmen, Marzpety"]

[FBIS Translated Text] The Government of Armenia has embarked on discussion of the draft Law on the Administrative and Territorial Division of the Republic. According to the draft, Armenia will be divided into nine marzy (oblasts) plus Yerevan, which will acquire the status of a separate marz. The marzy will be subdivided into communities, as a result of which the 1,024 localities in cities and villages of the republics will be broken down into 957 communities.

The new administrative and territorial division reflects, in the opinion of the authors of the draft, both the traditional and also new economic, historico-ethnographic, demographic, and political realities and also the strategy of transition to a market economy.

The version that has been presented is called 9+1 and has been devised in accordance with the plans of the long-term development of the regions of the republic. The version proceeds from the structure of a unitary state based on the provisions of the Constitution of Armenia.

The leaders of the oblasts—marzpety—are representatives of the central authorities. They are appointed and dismissed by the government of the republic. The 37 rayons (except Yerevan) and their elective bodies which exist currently will be abolished.

Following the completion of the debate in parliament, the draft will be presented for consideration by the fall session of the National Assembly of Armenia.

Democratic Party Urges Dashnak Rights

954F3214B Yerevan GOLOS ARMENII in Russian 24 Aug 95 p 1

[Democratic Party statement: "Democratic Party Calls for Farsightedness"]

[FBIS Translated Text] "Contrary to the principles proclaimed by the Declaration of Independence, our society has developed along the path of the establishment of personal power and an administrative-bureaucratic system. The growing opposition and political dissidence have been suppressed. This phenomenon was manifested in most unconcealed form in the course of the preparation and realization of National Assembly elections. Events absolutely alien to democracy occurred: On the eve of the elections and the constitutional referendum, the most influential opposition party— the ARFD [Dashnaktsutyun Armenian Revolutionary Federation]—was, in accordance with a presidential edict, squeezed out of political life, and a number of opposition newspapers were closed down for far-fetched reasons. In addition, a number of parties and over 500 candidates for deputy were for various contrived reasons barred from participation in the elections. A wide-ranging campaign to compromise the opposition was mounted in the official press and on television. The opposition was deprived of an opportunity to conduct the election campaign on an equal footing.

"Glaring violations and fraud, which cause misgivings as to the fairness of their results, were noted in the course of the elections themselves. All levers of state power were employed openly to support the continuance in power of the ruling grouping.

"The arrest even after the elections of Dashnaktsutyun figures, specifically V [name illegible] Oganesyan, showed that the authorities are substituting for political rivalry a political antagonism which is unconcealed and extremely dangerous for society and distorting the moral and psychological atmosphere of society, excluding the possibility of national accord. These actions are splitting the diaspora and jeopardizing diaspora-motherland relations.

"A manifestation of the present serious situation is the statement of the Dashnaktsutyun ARF Bureau that the party 'has been forced to terminate its efforts aimed at the legal restoration of the party's activity in Armenia, which were fully in keeping with the laws of the republic.'

"Deeply troubled by the current situation in the republic, the Democratic Party of Armenia calls on the president of the republic to display political farsightedness and to use all his powers to exclude a further intensification

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the antagonism and to create all the conditions conforming to democratic and legal norms for support of the political activity of the Dashnaktsutyun Armenian Revolutionary Federation in the motherland. Otherwise, the continuing provocations against a party with undoubted contributions to the preservation of Armenianism could have undesirable consequences."

Azerbaijan

Israeli Intelligence Delegation in Baku Detailed

LD2808121495 Tehran IRNA in English 1148 GMT 28 Aug 95

[FBIS Transcribed Text] Baku, Aug. 28, IRNA — An Israeli delegation comprising high-ranking Mossad and police officers have recently arrived in Baku secretly.

The Israeli mission is to hold negotiations with security officials of Azerbaijan to change the intelligence system of the republic.

An Azeri security delegation had already visited Tel Aviv.

Baku and Tel Aviv have established widespread security cooperation in recent months.

Following the popular unrest in the Azerbaijan republic, Baku statesmen have embarked upon a new business to acquire a strong intelligence system to deal with the unrest.

Some personalities and independent media of the Azeri republic have voiced their opposition to the overt and covert interference of Israel in the internal affairs of the republic.

According to reports a 45-member team of Israeli officers are now in Baku busy training Azeri security agents.

Gasanov Favors Oil Cooperation With Russia

LD2508171395 Moscow INTERFAX in English 1556 GMT 25 Aug 95

[FBIS Transcribed Text] BAKU, Aug 25 (PIA-INTERFAX) — Azerbaijani Foreign Minister Gasan Gasanov believes that the current discussion on the Caspian Sea does not prevent Baku from establishing cooperation with Moscow in the joint development of Caspian hydrocarbon deposits.

In an exclusive interview with INTERFAX Gasanov said that Azerbaijan is already cooperating with Moscow in the development of the Caspian offshore deposits of Azeri, Chirag and Guneshli (Russian Lukoil company has a 10% stake in the international consortium which is developing these deposits. Lukoil also participates in the development of the Karabakh offshore deposit).

According to Gasanov, Baku's stand "encounters understanding in the Russian political and economic circles interested in broadening diversified and mutually profitable ties with Azerbaijan."

He said that the status of the Caspian Sea was historically defined. "They often appeal to two agreements between the USSR and Iran in Russia. Under these documents, the Caspian Sea was divided between the USSR and Iran as internal sea. After the breakup of the USSR the Soviet part of the sea belongs to four independent states — Azerbaijan, Kazakhstan, Russia and Turkmenistan. It is natural that this part must consist of four sectors," said Gasanov.

To a question whether the Azerbaijani decision to lay an export oil pipeline through Turkish (and not Russian — IF Note) territory was final, Gasanov said that while "in theory" there are several variants of delivering oil from Caspian offshore deposits, in practice such factors as economic benefit and political interests will influence the decision.

Experts repeatedly told Petroleum Information Agency that pressure from Washington may force Baku to make a choice in favor of Turkey.

The project of such "southern pipeline" provides for delivering Azerbaijani oil to Turkey's Mediterranean ports through Georgian territory. The state-owned Turkish Botas pipeline company proposed several variants of laying the pipeline. Most likely, the project of the Baku-Tbilisi-Seikhan oil pipeline, worth about $983 million, will be approved.

People's Front Corrects Charter for Registration

LD2808123195 Moscow INTERFAX in English 1013 GMT 28 Aug 95

[FBIS Transcribed Text] BAKU, Aug 28 (INTERFAX) — The Azeri People's Front has introduced into the party charter corrections necessary for the party to be registered in the republic's Justice Ministry.

The corrections were made at the emergency congress (closed on Sunday) of this opposition political organization which was transformed in June from the movement into the party. The decision was aimed at helping the party to take part in the autumn parliamentary elections, since, according to Azeri legislation, public and political movements must not take part in the election campaign. The Justice Ministry refused to register the Front in the middle of the current summer, because, claims the ministry, the party's documents had many violations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"If the ministry does not register our party now, this will indicate that the Azeri People's Front is under direct political pressure by the authorities," said the party's deputy chairman Asim Mullazade in an interview with INTERFAX.

The delegates at the congress unanimously re-elected the Front's founder and constant leader, Azeri ex-president Abulfaz Elchibey as the party chairman.

Daily Reports Arrest of Ex-KGB Officer in Baku

MK2908063995 Moscow KOMMERSANT-DAILY in Russian 26 Aug 95 p 3

[Unattributed TURAN report: "Azerbaijan Special Services Are on Alert"]

[FBIS Translated Text] A few days ago, Colonel Vladimir Mirzoyev, former chief of an Azerbaijan KGB department, was arrested in Baku. He may have been connected with those forces that are being charged with organizing a recently exposed "generals' conspiracy." Mirzoyev's arrest is logically linked with the arrests of several high-level officers from the Defense Ministry: Colonel Rasim Mukhtarov, deputy chief of the General Staff, and Colonel Ilkham Aslanov, a senior official at a military department directorate.

Georgia

Shevardnadze Reportedly Suffers Stroke

LD2808132795 Tbilisi IPRINDA in Russian 1120 GMT 28 Aug 95

[FBIS Translated Text] Tbilisi, 28 Aug — An Iprinda correpondent has learned from well-informed sources that Georgian Head of State Eduard Shevardnadze has suffered a stroke. As is known, on 25 August the head of state did not work and was under the supervision of doctors, who announced that he had a high temperature.

However, on 28 August the head of state's press secretariat categorically denied the report about the stroke and announced that Shevardnadze was well. The head of state is well, Petre Mamradze, chief of the head of state's apparatus, stressed in an interview with the Iprinda correspondent. He added that Shevardnadze had given his regular Monday interview to Georgian radio in Parliament today.

Gives Weekly Radio Interview

LD2808174795 Tbilisi Radio Tbilisi Network in Georgian 0524 GMT 28 Aug 95

[Weekly interview with Eduard Shevardnadze, chairman of the State Council, by Nato Oniani in Tbilisi; date not given — recorded]

[FBIS Translated Excerpt] [Oniani] Mr. Shevardnadze, today is a day of major significance, a great Christian festival, the Assumption of the Blessed Virgin Mary and we shall probably begin our interview with this topic.

[Shevardnadze] Good morning. The Assumption of the Blessed Virgin Mary is a great Christian celebration and I would like to congratulate my people on this magnificent day and wish them spiritual cheerfulness, unity, and happiness.

[Oniani] This unity was demonstrated by what happened on 24 August and what is talked about all over the country and also outside the country. Last week, despite contrasting forecasts, the Georgian Parliament adopted a constitution and fundamental principles of the law on elections. It was the result of cooperation and, what is more, the parliament proved in the run-up to the elections that its greater majority is against political [word indistinct]. It must be clear to everyone that had the constitutional process failed it would have significantly affected the run-up to the elections.

[Shevardnadze] Thank you. The adoption of the constitution, I might be reiterating, is an act of historic significance. I should say that we, the participants in the process, find it difficult to assess the significance of the event, to truly describe it, and to wholly comprehend what it means for the building of the Georgian state. All factions of the parliament, the whole parliament, participated in the process. But I would say that the whole population voted for the constitution together with the parliament. Whether a referendum was held or not is not the main point. Incidentally, it is easier to adopt a constitution through a referendum than in parliament when there is such a differentiated and contradictory spectrum.

The thing is that representatives of those parties, who worked together with us... [changes thought] by the way, my colleagues and I had been watching the people's stance closely every day. I can recall that when we first started discussions, 50 or 51 percent of the population supported the constitution. Later, the figure grew to 60 percent, then to 70, and during the final days the figure reached 80 percent. The results of the polls might not be that accurate but the discrepancy could be only about 2 or 3 percent. All of us who sat in the parliament were perfectly aware of what the population thought and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

how closely our decision coincided with the interest of the people and our citizens and their attitude towards the issue. This is the case when an important goal, the concern over the country's present and future, has united true patriots and democrats within the parliament as well as within the whole community.

Indeed, it is sad that several parties represented in the parliament demonstrated a strongly negative stance towards the constitution. This has done no harm to the constitution. As you know, the constitution has been adopted by a great majority of votes. To my mind, the opponents of the constitution have gained nothing but have lost a lot. Indeed, they have lost a lot and I am really sorry because they could have acted in a different way. I am not lecturing them. This is a simple assertion of facts. Anyway, why do we not wait and see. The forthcoming elections will answer many questions.

[Oniani] The day after the constitution was adopted, a briefing was to have been held but this was cancelled because of your ill health, as it was announced.

[Shevardnadze] It would not be true if I started to deny it and say that the rumors were exaggerated. [laughs] It really happened that I did not feel well. However, I am in good shape today and....

[Oniani, interrupting] We are simply used to, for three years and six or seven months of your being head of state, and I also mean the period of the State Council, there has not been a case like this.

[Shevardnadze] It may be embarrassing to speak about this but I really have not had a day's, not even an hour's, rest during this period of time. This was the first time that I have stumbled a little and I promise the radio listeners that this will never happen again. [laughs]

[Oniani] A certain point should probably be indicated while analyzing the economic developments during the past week. A law on foreign investments has come into force.

[Shevardnadze] I am happy that you brought up the economic issue right after we have talked about the constitution. This is absolutely right because the economic issues are the most acute and topical after the constitution. I would say that the constitution is an environment for highly efficient work. This is an enormous incentive for promoting entrepreneurship, for creating an abundance of products, and for settling all the problems which worry each family and each citizen and the constitution is a basis for all this. However, to achieve this, to achieve welfare, we shall have, in the first instance, to work and mobilize the population to accomplish the tasks set for the country.

Regarding this, the past week has been rather interesting. We can speak of how a material basis for the constitution is being established and how the radical economic reforms which we started to implement will continue. The past week has not been an exception in this respect.

I would point out the issue you mentioned in your question. We have adopted a law on foreign investments. It took the parliament, its appropriate commissions, the Cabinet of Ministers, and the ministries almost half a year to complete work on the law.

[Shevardnadze] I have to say that U.S. and German experts helped us a lot. Russian experts were also invited. I believe that this is a law which really meets our own interests and encourages our foreign partners to cooperate with Georgia. The law was published last week and I would like all concerned to pay attention to it. I commented on the law briefly in an article to make it clear what conditions Georgia is creating for attracting foreign investments.

I should say that this is the most liberal law of all to be in force in the territory of the former Soviet Union. This is a law which creates the most beneficial conditions for attracting foreign investments. Providing there is stability in the country, and I do hope that the constitution is a guarantor of stability, our foreign partners will come to Georgia more boldly and invest their capital in the development of our economy.

What other positive trends can we mention? As I have already said, we have established fairly firm grounds for introducing our national currency. We are now working and pondering on what positive and negative effects this action can have. We have to do our best to virtually rule out all negative effects, negative developments in this or that sphere. We have already had both positive and negative experiences regarding the coupon. We already know quite a lot. The primary guarantor of the national currency, which allows us to speak of it seriously, is the continuous stability of the coupon with virtually no serious changes in its value.

One detail should be noted. I am not speaking about coupon rates which have not changed for a long time. According to National Bank data, the difference between official and cash rates, the listeners presumably understand what I mean, is extremely small. Last week, bureaux de change bought the U.S. dollar for 1.32 million coupons and sold it for 1.33 million coupons. This is rather a rare phenomenon for currency markets. [passage omitted]

There is a problem which should be taken into account by the Finance Ministry, the Cabinet of Ministers, and all ministries and departments when drawing up

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the budget for next year. When looking at the budget income, one can get the impression that everything is all right and the results we achieved are better than the targets suggested by the IMF, the World Bank, and other foreign experts.

However, I briefly mentioned this once in the past and now I shall reiterate that a general picture does not mean much. What is the structure of the budget? How is the country's own income represented in the budget? What would Georgia's budget look like if we had no standby, or transformation, or other loans given to us by various international organizations and no bread and other foodstuffs which we receive as humanitarian aid and sell to the population adding income to the budget? If we subtract all this from the total revenue, Georgia's own income comprises only 25-30 percent of budget income. I mean Georgia's own income. But this situation cannot last forever. We have already been told candidly by the European Union and the United States, who are giving us an additional 35-40,000 tonnes of wheat as aid, that after this, we have to count on ourselves more. Keeping this in mind, the Finance Ministry and the Cabinet of Ministers face a particular task to mobilize all possible means to develop production, industry, entrepreneurship, and agriculture, especially the processing industries in the rural economy, so that our own income fills more space in the budget next year. [passage omitted]

I welcome the initiative of the Ministry of Industry to deal with the defense problems more seriously. These include uniforms for servicemen, barracks, and all other things that are required for the army. [passage omitted]

[Oniani] And the final question. Later this week, Turkish Prime Minister Tansu Ciller is arriving in Georgia. Would you please explain Turkey's increased interest in Georgia?

[Shevardnadze] This interest was first outlined about two years ago when Turkish President Suleyman Demirel visited Georgia. You may recall that we signed documents of great importance then. That was followed by my visiting Turkey and Mr. Demirel visiting again as president. I have to say that really good relations have been established between the two countries.

As far as Ms. Ciller's visit is concerned, this will be her first official visit to Georgia. The range of issues to be discussed is fairly wide. We managed to discuss some issues in general when we met in Akhaltsikhe and Borjomi [in July, at the ceremony to open a border and customs checkpoint]. We now need to talk in great detail. We have many extensive issues to discuss, including, for instance, oil pipelines, a gas pipeline, and many others. Perhaps it is unreasonable to speak in detail about this at the moment.

Our population sincerely welcomes the visit to Georgia by Ms. Ciller, a good friend and a well-wisher for our country.

[Oniani] Thank you very much. You have been listening to the chairman of the Georgian parliament and head of state, Mr. Eduard Shevardnadze.

Daily Views Debate on State Structure

MK2908062395 Moscow SEGODNYA in Russian 26 Aug 95 p 4

[Report from Tbilisi by Revaz Sakevarishvili under the "Conflict" rubric: "Georgian Parliament Passes Constitution. The Question of the Republic's Federal Structure Remains Open"]

[FBIS Translated Excerpt] In the evening of 24 August the Georgian parliament adopted a new constitution and a statute on elections by 159 votes against 8. The main bone of contention in the passage of the draft was the document's name: A parliamentary majority defined it as a constitution, while the opposition insisted on calling it a constitutional act. When the parliamentary debate reached its culmination, the session was declared closed. It transpired that Eduard Shevardnadze attempted to convince the deputies that Abkhazia can only be returned via a constitution. At the same time, the head of state proposed a compromise: Alongside the constitution, a statute on elections with changes satisfying the opposition was put to a vote — and consensus was reached. The Ilya Chavchavadze Society voted against, and the national democrats did not participate in the vote at all as a sign of protest. Thus the draft constitution, which was submitted for consideration after a two-year delay and has meanwhile changed beyond recognition, was adopted.

Questions regarding the most controversial chapter of the Fundamental Law — the state structure — were never resolved. The only thing that did not draw any objections was the restoration of the presidency in Georgia. No decision on the republic's federal structure was made, however. The defiant Abkhaz parliament announced at its 23 August meeting that it would conduct any dialogue with Georgia only at the level of equal states. According to Zurab Yerkvaniya, head of the Abkhazian cabinet of ministers in Tbilisi, this is directly related to the process of a peaceful settlement of the conflict, which was, as Mr. Yerkvaniya put it, scuttled by Vladislav Ardzinba. The chairman of the Abkhazian Cabinet of Ministers said that a protocol drawn up with Moscow's mediation, which could have

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

helped the conflict settlement get off to a good start, was spurned by the Abkhazian president. The document was signed on 25 July by Vazha Lordkipanidze, Georgian ambassador to Russia, and Anri Dzhergen. [passage omitted]

Abkhazia To Be Offered Federative Relations

LD2808154795 Moscow ITAR-TASS in English 1508 GMT 28 Aug 95

[By Tengis Pachkoriya]

[FBIS Transcribed Text] TBILISI, August 28 (ITAR-TASS) — Georgia's high-ranking officials will fly to Moscow shortly to propose federative relations with Abkhazia in an apparent bid to maintain this breakaway region under its control.

Georgian Vice-Prime Minister Tamaz Nadareishvili, who is also chairman of the Abkhazian parliament operating in Tbilisi and opposing the Abkhazian leadership, told ITAR-TASS on Monday that the Georgian delegation will fly to Moscow on Tuesday.

The delegation will include First Deputy Prime Minister of the Abkhazian government in Tbilisi Londer Tsaava, who is also the chief state adviser to Georgian leader Eduard Shevardnadze, and deputy speaker of the opposition Abkhazian parliament David Gvadzabia. Georgian Ambassador to Russia Vazha Lordkipanidze will join the delegation in Moscow.

Tsaava said the new Constitution recently adopted in Georgia provides the legal basis for making Abkhazia a member of the Georgian federation. Georgia is also ready to consider "any reasonable proposal concerning the broadening of the rights and status of Abkhazia within the integral Georgian federative state," he added.

Tsaava expressed the hope that the participants in the upcoming talks resuming in Moscow on Wednesday — to be attended apart from Georgia and Abkhazia by representatives of the United Nations and Russia — will meet Georgia's proposal with understanding.

He pointed out that irrespective of the success of political discussions, Georgia will raise the question of the soonest possible return of refugees to Abkhazia in the most principled way.

Meanwhile, a source in the Abkhazian Foreign Ministry told ITAR-TASS that the Abkhazian delegation will not discuss any documents considering Abkhazia as part of Georgia and will insist on confederative relations based on the equality of Abkhazia and Georgia.

Abkhazia Rejects Federal Offer

LD2808150895 Moscow ITAR-TASS in English 1240 GMT 28 Aug 95

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Transcribed Text] SOCHI, 28 Aug (ITAR-TASS) — The Abkhazian delegation at talks with Georgia has not changed its position concerning Abkhazia's future status. Its members, who are scheduled to fly to Moscow on Monday, will not discuss a draft deal which provides for granting Abkhazia with a federative status in the Georgian administrative system, sources in the Abkhazian Foreign Ministry told Tass today.

Only the creation of "a confederative state" with equal rights of the two subjects of international law may be discussed at the talks, the sources said.

A declaration of intentions on political measures to settle the Georgian-Abkhazian conflict, signed in April 1994, may be the basis for conducting political talks, the sources said.

Abkhazian Foreign Minister Leonid Lakerbaya will head, for the first time, his country's delegation at the forthcoming talks.

Armed Gamsakhurdia Supporters Arrested

LD2808144095 Tbilisi IPRINDA in Russian 1120 GMT 28 Aug 95

[FBIS Translated Text] Tbilisi, 28 Aug — An Iprinda correspondent has been told at the Internal Affairs Ministry Press Center that the law enforcement bodies have captured a gang of 13 armed supporters of the former Georgian president in Tsalenjikha District. Members of the group are accused of assaulting the police, subversive activities on railways (blowing up of bridges, tracks, etc), raids on convoys of humanitarian aid, and so on. It should be noted that members of the gang robbed many refugees escaping from Abkhazia through the mountains of Svaneti.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.